

Supplemental Slides

First Quarter 2018 Earnings

May 2, 2018



NiSource



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of federal securities laws. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. Examples of forward-looking statements in this presentation include statements and expectations regarding NiSource's or any of its subsidiaries' business, performance, growth, commitments, investment opportunities, and planned, identified, infrastructure or utility investments. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially. Factors that could cause actual results to differ materially from the projections, forecasts, estimates, plans, expectations and strategy discussed in this presentation include, among other things, NiSource's debt obligations; any changes in NiSource's credit rating; NiSource's ability to execute its growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; NiSource's ability to obtain expected financial or regulatory outcomes; any damage to NiSource's reputation; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential and commercial customers; economic conditions of certain industries; the success of NIPSCO's electric generation strategy; the price of energy commodities and related transportation costs; the reliability of customers and suppliers to fulfill their payment and contractual obligations; potential impairments of goodwill or definite-lived intangible assets; changes in taxation and accounting principles; potential incidents and other operating risks associated with our business; the impact of an aging infrastructure; the impact of climate change; potential cyber-attacks; construction risks and natural gas costs and supply risks; extreme weather conditions; the attraction and retention of a qualified work force; advances in technology; the ability of NiSource's subsidiaries to generate cash; tax liabilities associated with the separation of Columbia Pipeline Group, Inc.; NiSource's ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; the availability of insurance to cover all significant losses and other matters set forth in Item 1A, "Risk Factors" section of NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in other filings with the Securities and Exchange Commission. A credit rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the asset rating organization. In addition, dividends are subject to board approval. NiSource expressly disclaims any duty to update, supplement or amend any of its forward-looking statements contained in this presentation, whether as a result of new information, subsequent events or otherwise, except as required by applicable law.

Regulation G Disclosure Statement

This presentation includes financial results and guidance for NiSource with respect to net operating earnings, which is a non-GAAP financial measure as defined by the SEC's Regulation G. The company includes this measure because management believes it permits investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Key Takeaways – First Quarter 2018

- **Results on track with guidance range**
 - Net operating earnings per share (NOEPS)* of \$0.77 versus \$0.71 in 2017
 - On track to complete \$1.7 to \$1.8 billion of utility infrastructure investments this year
- **Disciplined execution of infrastructure programs, regulatory initiatives produces value for customers, stakeholders**
 - Gas Distribution Operations
 - Settlement filed in NIPSCO gas base rate case
 - Base rate cases filed in Pennsylvania, Massachusetts and Maryland
 - Infrastructure Replacement Program extension approved, tracker update approved in Ohio
 - Gas modernization program extensions filed in Indiana, Maryland
 - Electric Operations
 - 2018 Integrated Resource Plan process kicked off with stakeholders
 - CCR projects underway and expected to be completed by end of 2018
 - Transmission projects nearing completion
 - Continued execution on transmission and distribution modernization program
- **Clarity regarding tax reform implementation**
 - Benefits beginning to flow to customers, enhancing the sustainability of our strategy
 - Management of cash impacts achieved through regulatory filings/outcomes, business initiatives and cash management
 - ~ \$600 million common equity block offering resolves credit impacts of tax reform, no plans for additional common equity block offerings

Reaffirming 2018 NOEPS Guidance: \$1.26 to \$1.32 Per Share*; CapEx Guidance: \$1.7B to \$1.8B

* Net Operating Earnings Per Share (non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 2, 2018 Earnings Release

First Quarter 2018 Financial Highlights

Non-GAAP*	2018	2017	Change
Net Operating Earnings (\$M)	\$259.7	\$230.6	\$29.1
Net Operating Earnings Per Share	\$0.77	\$0.71	\$0.06

GAAP	2018	2017	Change
Net Income (\$M)	\$276.1	\$211.3	\$64.8
Earnings Per Share	\$0.82	\$0.65	\$0.17

Strong Results In-line with Guidance Range

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 2, 2018 Earnings Release and the supplemental segment and financial information accompanying this presentation available on the investor section of www.nisource.com.

First Quarter 2018 Financial Highlights - Consolidated (Non-GAAP)*

(In millions, except per share amounts)	Three Months Ended March 31		
	2018	2017	Change
Operating Revenues	\$ 1,752.2	\$ 1,627.6	
Cost of Sales (excluding depreciation and amortization)	724.4	552.3	
Net Revenue (Non-GAAP)	\$ 1,027.8	\$ 1,075.3	
Operation and Maintenance	402.5	410.1	
Depreciation and Amortization	144.7	143.3	
Other Taxes	78.9	76.0	
Total Operating Expenses	\$ 626.1	\$ 629.4	
Operating Earnings (Non-GAAP)	\$ 401.7	\$ 445.9	
Interest Expense	(93.1)	(85.2)	
Other, Net	10.1	2.3	
Total Other Deductions	\$ (83.0)	\$ (82.9)	
Operating Earnings Before Income Tax	\$ 318.7	\$ 363.0	
Income Taxes	59.0	132.4	
Net Operating Earnings (Non-GAAP)	\$ 259.7	\$ 230.6	\$ 29.1
Basic Average Shares Outstanding	338.0	323.7	
Basic Net Operating Earnings Per Share (Non-GAAP)	0.77	0.71	0.06

Strong Results In-line with Guidance Range

* Net Operating Earnings Per Share (non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 2, 2018 Earnings Release

First Quarter 2018 Financial Highlights - Gas Distribution (Non-GAAP)*

(In millions)	Three Months Ended March 31		
	2018	2017	Change
Operating Revenues	\$ 1,329.1	\$ 1,202.9	
Cost of Sales (excluding depreciation and amortization)	591.8	436.2	
Net Revenue (Non-GAAP)	\$ 737.3	\$ 766.7	
Operation and Maintenance	287.2	284.5	
Depreciation and Amortization	70.7	65.3	
Other Taxes	59.2	55	
Total Operating Expenses	\$ 417.1	\$ 404.8	
Operating Earnings (Non-GAAP)	\$ 320.2	\$ 361.9	\$ (41.7)
2018 Net Revenue includes a regulated revenue reserve as a result of lower income tax rate from Tax Cuts and Jobs Act (offset in Consolidated Income Taxes)			
			\$ 47.6
Operating Earnings - Excluding Tax Reform Reserve (Non-GAAP)			\$ 5.9

Increased Results Driven by Infrastructure Investments and Customer Growth

* Operating Earnings (non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 2, 2018 Earnings Release

First Quarter 2018 Financial Highlights - Electric (Non-GAAP)*

(In millions)	Three Months Ended March 31		
	2018	2017	Change
Operating Revenues	\$ 426.4	\$ 427.8	
Cost of Sales (excluding depreciation and amortization)	132.7	116.2	
Net Revenue (Non-GAAP)	\$ 293.7	\$ 311.6	
Operation and Maintenance	126.2	137.3	
Depreciation and Amortization	65.5	72.0	
Other Taxes	16.0	17.3	
Total Operating Expenses	\$ 207.7	\$ 226.6	
Operating Earnings (Non-GAAP)	\$ 86.0	\$ 85.0	\$ 1.0
2018 Net Revenue includes a regulated revenue reserve as a result of lower income tax rate from Tax Cuts and Jobs Act (offset in Consolidated Income Taxes)			
			\$ 12.5
Operating Earnings - Excluding Tax Reform Reserve (Non-GAAP)			\$ 13.5

Increased Results Driven by Infrastructure Investments

* Operating Earnings (non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 2, 2018 Earnings Release

NiSource Debt and Credit Profile

- **Current debt level: ~\$9.1B as of March 31, 2018**
 - ~\$7.4B of long-term debt
 - Weighted average maturity ~18 years
 - Weighted average interest rate of 4.8%
- **Solid liquidity position**
 - ~\$2.4B of committed facilities in place as of March 31, 2018
 - ~\$1.9B revolving credit facility
 - ~\$0.5B accounts receivable securitization facilities *
 - ~\$0.8B in net available liquidity as of March 31, 2018**
- **Interest rate hedging position**
 - ~\$750M of anticipated debt issuances hedged as of March 31, 2018
- **Committed to investment-grade credit ratings**
 - S&P BBB+ | Moody's Baa2 | Fitch BBB

Solid Financial Foundation to Support Long-Term Infrastructure Investment Opportunities

* Committed capacity on accounts receivable securitization facilities changes with seasonality

** Consisting of cash and available capacity under credit facilities

Financing Plan Update

NiSource Financing Plan			
(\$ in Millions)	2017 Actual	2018 Estimated	2019/2020 Estimated
Equity			
Common Equity Block Issuance	None	~\$600	None Planned
ATM (At-The-Market)	\$315	\$200 - \$300 (YTD \$170)	\$200 - \$300 (Annually)
ESPP/401K/Other	\$61	\$35 - \$60	\$35 - \$60 (Annually)
Long-Term Debt			
Incremental (New) Long-Term Debt	\$1,093*	\$0 - \$300	\$0 - \$500 (Annually)
Other Financing			
Non-Convertible Subordinated Debt or Preferred Equity	None	TBD	TBD

2018 Common Equity Block Resolves the Cash Effect of Tax Reform

* 2017 represents change in total debt

Financing Plan Update

NiSource Adjusted FFO to Debt			
(\$ in Millions)	2017	2018 Estimated	2019/2020 Estimated
Funds from Operations			
2017 Adjusted FFO*	\$1,118		
2018 Primary Cash Flow Impacts			
Tax Reform		-	
Regulatory Trackers/Growth		+++	
Other Regulatory Filings/Outcomes		++	
Business Initiatives/Cash Mgmt.		+	
Adjusted FFO*		\$1,120 - \$1,150	Growing with Long-Term Earnings
Debt			
Total Debt	\$9,002	\$8,500 - \$8,750	Modest Increases to Fund CapEx
Credit Quality			
Adjusted FFO/Total Debt	~12%	~13%	Improving to 14% - 15% Range

Strengthening the NiSource Balance Sheet

* Represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes. For a reconciliation please see page 20.

Gas Distribution Operations - First Quarter 2018

- Operating Earnings* \$320.2M in 2018 vs. \$361.9M in 2017
- Significant progress on regulatory initiatives across all states, inclusive of the impacts of federal tax reform
- Ongoing infrastructure modernization on track and delivering further customer value, including improved system safety, reliability and environmental performance

Key Milestones:

Highlight	Key Components	Status
Columbia Gas of Maryland Base Rate Case	• Supports continued focus on pipeline safety and replacement of aging infrastructure • Requests \$6M annual revenue increase	• Filed Apr. 13, 2018 • Order expected in 4Q2018
Columbia Gas of Massachusetts Base Rate Case	• Supports continued focus on pipeline safety and replacement of aging infrastructure • Requests \$24.1M annual revenue increase, net of infrastructure trackers	• Filed Apr. 13, 2018 • Order expected in 1Q2019
NIPSCO Gas System Modernization Program	• New seven-year ~\$1.25B plan focused on system modernization to improve service and reliability and customer growth	• Filed Apr. 2, 2018 • Order expected in 2H2018
Columbia Gas of Pennsylvania Base Rate Case	• Supports continued focus on pipeline safety and replacement of aging infrastructure • Requests \$46.9M annual revenue increase	• Filed Mar. 16, 2018 • Order expected in 4Q2018
Columbia Gas of Ohio Capital Expenditure Program (CEP)	• Seeks establishment of cost recovery mechanism for certain deferred capital investments not recovered through the IRP tracker • Requests initial annual revenue increase of \$69.8M	• Filed Dec. 1, 2017 • Awaiting procedural schedule
NIPSCO Gas Base Rate Case	• Supports continued focus on pipeline safety and replacement of aging infrastructure • First base rate increase request in more than 25 years • Settlement includes \$107.3M annual revenue increase	• Filed Sept. 27, 2017 • Revised Jan. 26, 2018 (Reflecting tax reform benefits) • Settlement filed Apr. 20, 2018 • Order expected in 2H18
Columbia Gas of Ohio Infrastructure Replacement Program (IRP) Extension	• Well-established program covers replacement of priority mainline pipe and targeted customer service lines • Five-year extension through Dec. 31, 2022	• Filed Feb. 27, 2017 • Settlement filed Aug. 18, 2017 • Settlement approved Jan. 31, 2018

~\$20B in Identified Long-Term Infrastructure Investment Opportunities

* Operating Earnings (non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see NiSource's May 2, 2018 supplemental segment and financial information accompanying this presentation and available on the investor section of www.nisource.com.

Electric Operations - First Quarter 2018

- Operating Earnings* \$86.0M in 2018 vs. \$85.0M in 2017
- Continued execution of seven-year ~\$1.25B electric system modernization program
- Electric transmission projects on schedule, with expected in-service dates in mid-2018
- Construction underway on environmental upgrades for Michigan City, R.M. Schahfer generating stations

Key Milestones:

Highlight	Key Components	Status
Integrated Resource Plan (IRP)	• Outlines NIPSCO's plans for meeting customers' long-term electricity needs • 2016 IRP included plans to retire 50 percent of NIPSCO's coal-fired generation fleet by YE23 • 2018 IRP will contain additional details on NIPSCO's long-term capacity plans	• Stakeholder process initiated Mar. 2018 • Expected to be submitted to IURC by YE18
Electric System Modernization Program	• Focused on electric transmission and distribution investments designed to improve system reliability and safety • TDSIC 3 semi-annual tracker update covering ~\$75M in investments from May 2017 - Nov. 2017	• Filed Jan. 30, 2018 • Order expected in 2Q18
Environmental Upgrades	• Address requirements under U.S. EPA's Effluent Limitation Guidelines (ELG) and Coal Combustion Residuals (CCR) rules • Costs to be recovered through Federally Mandated Cost Adjustment (FMCA) mechanism • Settlement covers CCR-related investments of ~\$193M; ELG-related investments moved to later proceeding	• Filed Nov. 1, 2016 • CCR settlement filed Jun. 9, 2017 • CCR settlement approved Dec. 13, 2017 • Construction underway, expected completion by YE18
Electric Transmission System Enhancement Projects	• Reynolds to Topeka Project ◦ 100-mile, 345-kV transmission project ◦ ~\$350M-\$400M investment • Greentown to Reynolds (Joint Project) ◦ 65-mile, 765-kV transmission project ◦ ~\$350M-\$400M investment (NIPSCO portion ~\$175M-\$200M)	• Substation, line and tower construction continues • Both projects expected to be complete by mid-2018

~\$10B in Identified Long-Term Infrastructure Investment Opportunities

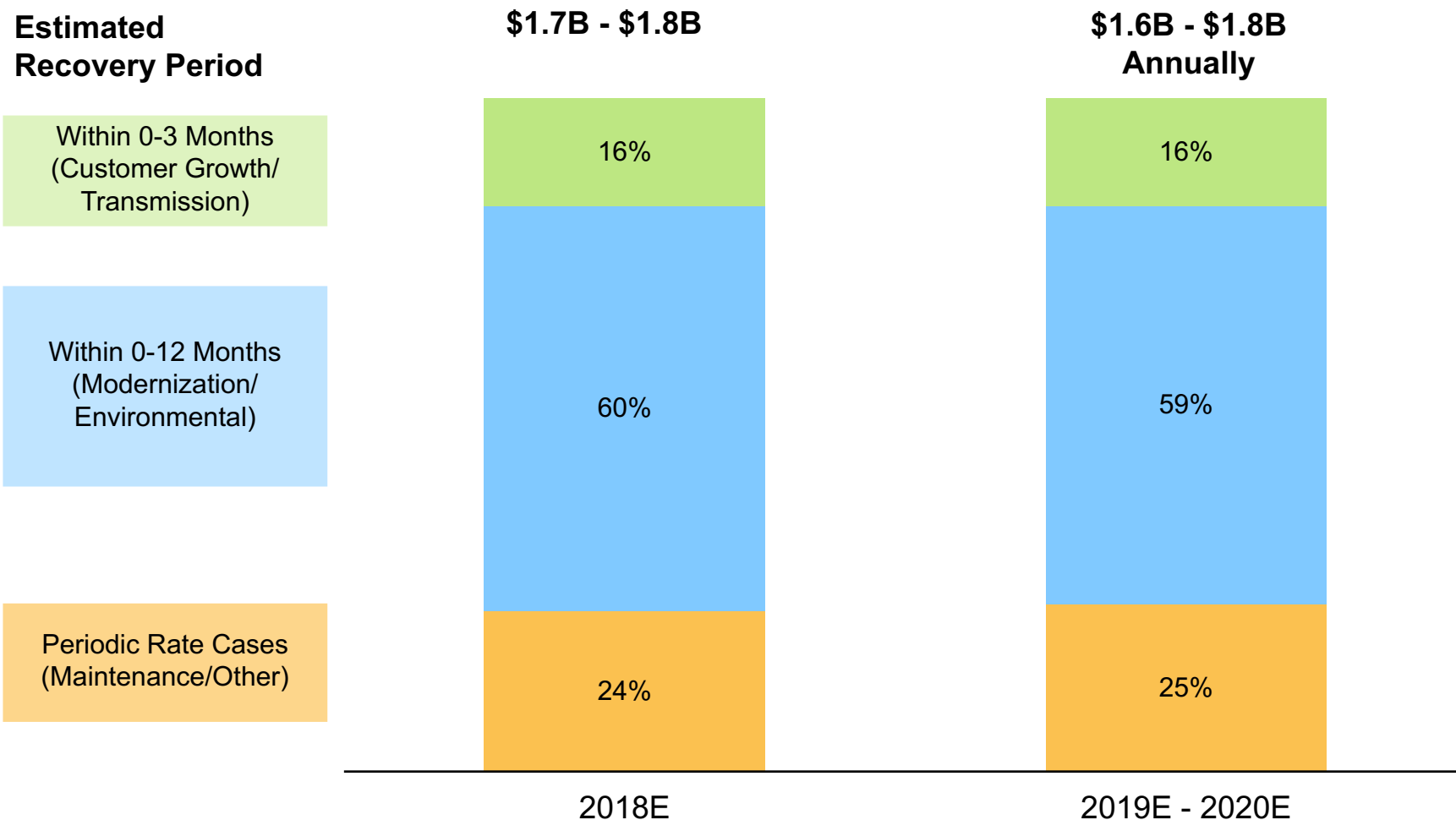
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Appendix: First Quarter 2018 Earnings



Capital Expenditures

Investments Deliver Customer Value, Enhance System Safety and Reliability



~75% of Capital Investments Begin Earning in Less Than 12 months

Liquidity and Debt Detail as of First Quarter 2018 (\$M)

Current Liquidity	Actual 3/31/2018	Maturity
Revolving Credit Facility	\$1,850	Nov. 28, 2021
Accounts Receivable Programs*	513	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	1,054	
Accounts Receivable Programs Utilized	513	
L/C's Outstanding Under Credit Facility	11	
Add:		
Cash & Equivalents	35	
Net Available Liquidity	\$820	

Debt Detail	Balance	Wtd. Avg. Rate**	Wtd. Avg. Maturity
Long-Term Debt	\$7,440	4.76%	18 years
Commercial Paper	1,054	2.51%	26 days
A/R Program Borrowings	513	2.19%	Approx. 1 mo.
Capital Leases, Def Cost & Other	110	N/A	N/A
Total Debt	\$9,117		

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

** Represents coupon or current incremental borrowing rate; does not factor in fees and/or amortization of deferred charges

N/A = Not Applicable

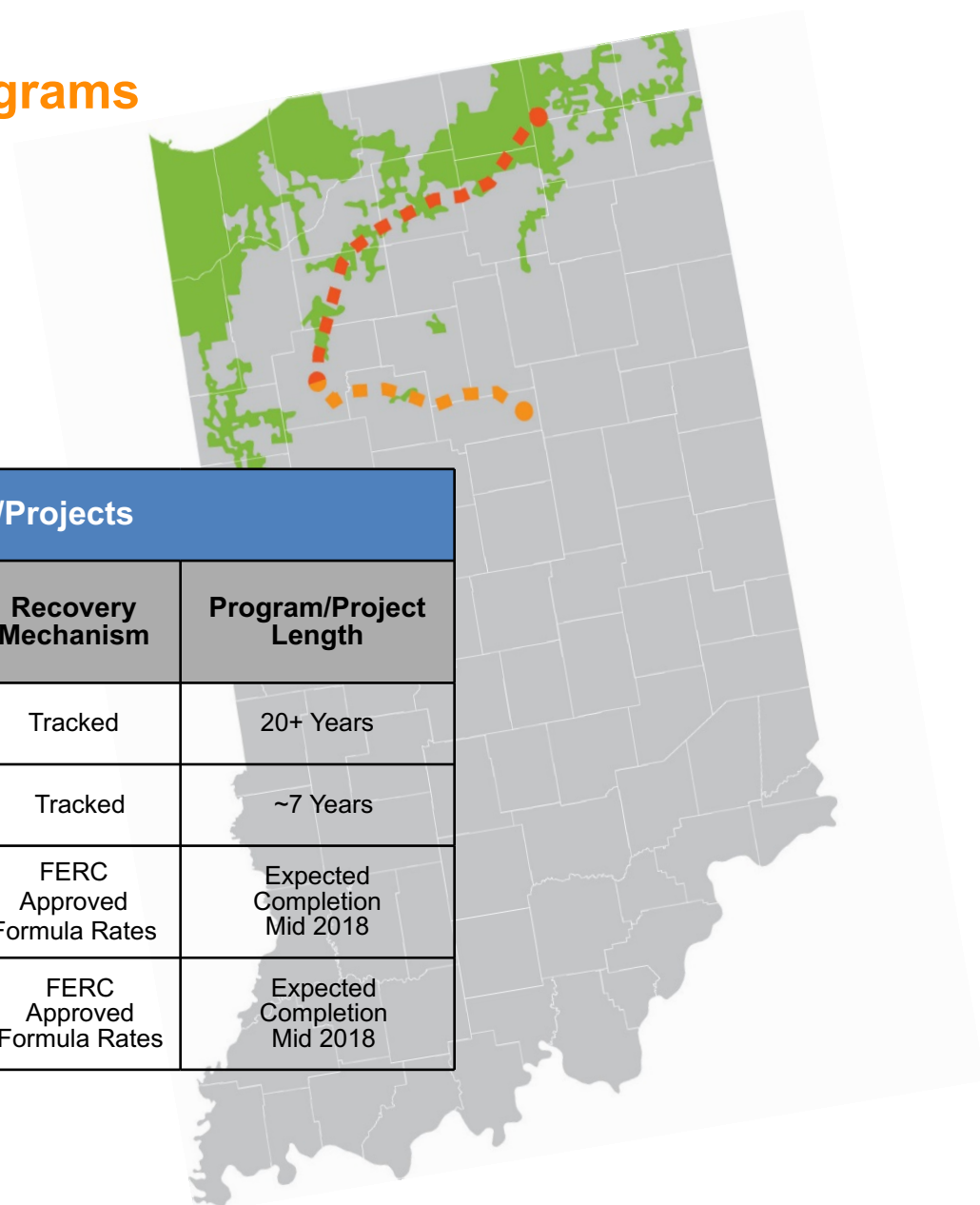
Gas Distribution Operations Infrastructure Programs

Company	Base Case Authorized ROE	Year-End 2017 Rate Base	Total Identified Investments	Modernization Program Investments	Estimated Annual Modernization Program	Recovery Mechanism
Columbia Gas of OH	Not Specified	\$2.5B	~\$4.1B	~\$3.4B	\$220M - \$270M	Tracked
Columbia Gas of PA	Not Specified	\$1.5B	~\$3.0B	~\$1.8B	\$210M - \$250M	Rate Case (Forward Test Year)
NIPSCO Gas	9.90%	\$1.2B	~\$4.5B	~\$3.9B	\$135M - \$160M	Tracked
Columbia Gas of MA	9.55%	\$792M	~\$1.4B	~\$700M	\$80M - \$120M	Tracked
Columbia Gas of VA	Not Specified	\$669M	~\$550M	~\$300M	\$30M - \$40M	Tracked
Columbia Gas of KY	Not Specified	\$259M	~\$750M	~\$400M	\$25M - \$45M	Tracked
Columbia Gas of MD	9.70%	\$107M	~\$200M	~\$100M	\$16M - \$21M	Tracked

Robust Long-Term Investment Programs Deliver Value on \$7.0B Rate Base*

* As of Dec. 31, 2017

Electric Operations Investment Programs



Infrastructure Investment Programs/Projects				
Program/Project	Identified Investments	Estimated Annual Investment	Recovery Mechanism	Program/Project Length
Infrastructure Modernization	~\$4.2B	~\$135M - \$235M	Tracked	20+ Years
Environmental Compliance	~\$0.4B	~\$10M - \$90M	Tracked	~7 Years
Transmission Project I (Reynolds-Topeka)	~\$350M - \$400M	~\$50M - \$120M	FERC Approved Formula Rates	Expected Completion Mid 2018
Transmission Project II – Partnership (Greentown-Reynolds)	~\$350M - \$400M (NI: ~\$175M-\$200M)	~\$25M - \$50M	FERC Approved Formula Rates	Expected Completion Mid 2018

High-Value Investments with \$3.6B Rate Base*

* As of Dec. 31, 2017

Regulatory Update

2018 Rate Case and Program/Project Activity		
Company/Filing	Summary	Timeline
Pending Approval		
Columbia Gas of Maryland - Base Rate Case	Requested Increase: \$6M	Filed: 4/13/2018 Order Expected: 4Q2018
Columbia Gas of Massachusetts - Base Rate Case	Requested Increase: \$24.1M	Filed: 4/13/2018 Order Expected: 1Q2019
NIPSCO Gas - Gas System Modernization Program (TDSIC)	7 Year Plan Update Filing Investment of ~\$1.25B	Filed: 4/2/2018 Order Expected: 2H2018
Columbia Gas of Pennsylvania - Base Rate Case	Requested Increase: \$46.9M	Filed: 3/16/2018 Order Expected: 4Q2018
Columbia Gas of Ohio - Capital Expenditure Program (CEP)	Establishment of Deferral Recovery Rider	Filed: 12/1/2017 Awaiting Procedural Schedule
NIPSCO Gas - PHMSA Filing	Recovery of Federally Mandated Pipeline Safety Compliance Plan Settled as part of Base Rate Case	Filed: 11/8/2017 Settled: 4/20/2018
NIPSCO Gas - Base Rate Case	Requested Increase: \$138.1M Settled Increase: \$107.3M	Filed: 9/27/2017 Settlement Filed: 4/20/2018 Order Expected: 2H2018
Complete		
Columbia Gas of Ohio - Infrastructure Replacement Program	5-Year Plan Extension Filing	Filed: 2/27/2017 Settlement Filed: 8/18/2017 Settlement Approved: 1/31/2018

Continued Regulatory Execution Drives Growth and Customer Value

Infrastructure Investment Details

Company	Recovery Mechanism	Incremental Infrastructure Investments		Recovery	
		Investment Period	Investment Amount	Filing Date	Effective Date
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2016	~\$236M	Feb 2017	May 2017
		FY 2017	~\$207M	Feb 2018	May 2018
Columbia Gas of Pennsylvania*	Base Rate Case with Fully Forecasted Test Year	FY 2016	~\$147M	Mar 2015	Dec 2015
		FY 2017	~\$204M	Mar 2016	Dec 2016
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2017	~\$37M	Aug 2016	Dec 2016
		FY 2018	~\$35M	Aug 2017	Jan 2018
Columbia Gas of Massachusetts	Gas System Enhancement Plan (GSEP)	FY 2017	~\$73M	Oct 2016	May 2017
		FY 2018	~\$84M	Oct 2017	May 2018
Columbia Gas of Kentucky	Accelerated Main Replacement Program (AMRP)	FY 2017	~\$17M**	May 2016	Jan 2017
		FY 2018	~\$24M	Oct 2017	Jan 2018
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2017	~\$15M	Nov 2016	Jan 2017
		FY 2018	~\$21M	Oct 2017	Jan 2018
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 7: Jan 2017 – Jun 2017	~\$59M	Aug 2017	Jan 2018
		TDSIC 8: Jul 2017 – Dec 2017	~\$78M	Feb 2018	Expected - July 2018
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 2: May 2016 – Apr 2017	~\$134M	Jun 2017	Nov 2017
		TDSIC 3: May 2017 – Nov 2017	~\$75M	Jan 2018	Expected - Jun 2018

* Pennsylvania also allows for a tracking mechanism for infrastructure investments – Distribution System Improvement Charge (DSIC)

** 2017 Investment for KY included in base rate case filing

2017 Adjusted Funds From Operations (FFO) Reconciliation

Twelve Months Ended December 31	
<i>(In millions)</i>	2017
GAAP Net Income	\$ 129
<i>Adjustments to Net Income</i>	
Depreciation and Amortization	570
Loss on Extinguishment of Debt	112
Deferred Taxes	307
Adjusted Funds From Operations	\$ 1,118