Segment and Financial Information
Third Quarter 2018

Supplement to NiSource Third Quarter 2018
Earnings Presentation

Third Quarter 2018 Operating Earnings - Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the third quarter of 2018 were $125.0 million, compared to $122.6 million in the comparable 2017 period. Refer to the attached schedules for the items included in 2018 and 2017 GAAP operating income but excluded from operating earnings (non-GAAP).

Operating earnings (non-GAAP) for NiSource’s business segments for the three months ended September 30, 2018, are discussed below.

Gas Distribution Operations

For the third quarter of 2018, Gas Distribution Operations reported an operating loss of $2.9 million, compared to an operating loss of $8.8 million in the comparable 2017 period.

Net revenues for the third quarter of 2018 were $336.9 million, a decrease of $3.7 million from the comparable 2017 period. The change in net revenues was primarily driven by:

- A revenue reserve in 2018 resulting from the probable future refund of certain collections from customers as a result of the lower income tax rate from the Tax Cuts and Jobs Act of 2017 ("TCJA") of $11.8 million.
- Decreased rates from implementation of regulatory outcomes related to the TCJA of $7.0 million.

Partially offset by:

- New rates from infrastructure replacement programs and base rate proceedings of $13.0 million.

Operating expenses for the third quarter of 2018 were $339.8 million, a decrease of $9.6 million from the comparable 2017 period. The change in operating expenses was primarily driven by:

- Decreased employee and administrative expenses of $13.8 million.

Partially offset by:

- Increased depreciation of $4.8 million due to higher capital expenditures placed in service.

Electric Operations

For the third quarter of 2018, Electric Operations reported operating earnings of $122.8 million, compared to operating earnings of $129.7 million in the comparable 2017 period.

Net revenues for the third quarter of 2018 were $328.0 million, a decrease of $21.6 million from the comparable 2017 period. The change in net revenues was primarily driven by:

- Decreased rates from the implementation of regulatory outcomes related to the TCJA of $14.1 million.
- Lower regulatory and depreciation trackers, which are offset in operating expense, of $9.9 million.
- Decreased industrial usage of $4.6 million.

Partially offset by:

- Increased rates from infrastructure replacement programs of $6.2 million.

Operating expenses for the third quarter of 2018 were $205.2 million, a decrease of $14.7 million from the comparable 2017 period. The change in operating expenses was primarily driven by:

- Lower regulatory and depreciation trackers, which are offset in net revenues, of $9.9 million.
- Decreased employee and administrative costs of $6.6 million.
- Decreased outside service costs of $3.1 million on lower generation-related maintenance activities.

Partially offset by:

- Increased depreciation of $2.8 million due to higher capital expenditures placed in service.

Corporate and Other Operations

For the third quarter of 2018, Corporate and Other Operations reported operating earnings of $5.1 million compared to $1.7 million in the comparable 2017 period. This change resulted primarily from a favorable insurance reserve adjustment of $4.6 million.

Other Income (Deductions)

Other income (deductions) reduced income by $74.8 million for the third quarter of 2018 compared to a reduction in income of $94.7 million in the comparable 2017 period. This variance is primarily driven by higher actuarial investment returns resulting from our pension contribution made in the third quarter of 2017.

Income Taxes

The effective tax rate of net operating earnings was 18.5 percent compared to 16.5 percent for the same period last year, primarily due to state apportionment benefits recorded in the third quarter of 2017 that were not recorded in the current year period. These increases were partially offset by change in tax rates in 2018 as a result of the TCJA and the associated amortization of excess deferred tax regulatory liabilities.

Nine Months Ended September 30, 2018 Operating Earnings - Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the nine months ended September 30, 2018 were $636.5 million, compared to $702.4 million in the comparable 2017 period. Refer to the attached schedules for the items included in 2018 and 2017 GAAP operating income but excluded from operating earnings (non-GAAP).

Operating earnings (non-GAAP) for NiSource’s business segments for the nine months ended September 30, 2018, are discussed below.

Gas Distribution Operations

For the nine months ended September 30, 2018, Gas Distribution Operations reported operating earnings of $352.9 million, compared to operating earnings of $407.4 million in the comparable 2017 period.

Net revenues for the nine months ended September 30, 2018 were $1,478.2 million, a decrease of $40.8 million from the comparable 2017 period. The change in net revenues was primarily driven by:

- A revenue reserve in 2018 resulting from the probable future refund of certain collections from customers as a result of the lower income tax rate from the TCJA of $78.2 million.
- Decreased rates from implementation of regulatory outcomes related to the TCJA of $13.4 million.

Partially offset by:

- New rates from infrastructure replacement programs and base rate proceedings of $34.7 million.
- The effects of customer growth and increased usage of $13.1 million.
- Higher regulatory, tax and depreciation trackers, which are offset in expense, of $3.1 million.

Operating expenses for the nine months ended September 30, 2018 were $1,125.3 million, an increase of $13.7 million from the comparable 2017 period. The change in operating expenses was primarily driven by:

- Increased depreciation of $15.1 million due to higher capital expenditures placed in service.
- Increased property taxes of $5.1 million.

Partially offset by:

- Decreased employee and administrative expenses of $9.5 million.

Electric Operations

For the nine months ended September 30, 2018, Electric Operations reported operating earnings of $286.1 million, compared to operating earnings of $299.7 million in the comparable 2017 period.

Net revenues for the nine months ended September 30, 2018 were $902.8 million, a decrease of $69.0 million from the comparable 2017 period. The change in net revenues was primarily driven by:

- Lower regulatory and depreciation trackers, which are offset in operating expense, of $34.1 million.
- Decreased rates from the implementation of regulatory outcomes related to the TCJA of $22.7 million.
- A revenue reserve in 2018 resulting from the probable future refund of certain collections from customers as a result of the lower income tax rate from the TCJA of $16.3 million.
- Decreased industrial usage of $10.1 million.
- Increased fuel handling costs of $5.9 million.

Partially offset by:

- Increased rates from infrastructure replacement programs of $17.6 million.

Operating expenses for the nine months ended September 30, 2018 were $616.7 million, a decrease of $55.4 million from the comparable 2017 period. The change in operating expenses was primarily driven by:

- Lower regulatory and depreciation trackers, which are offset in net revenues, of $34.1 million.
- Decreased outside service costs of $17.5 million and lower materials and supplies costs of $8.6 million, primarily related to lower generation-related maintenance activities.
- Lower employee and administrative costs of $8.6 million.

Partially offset by:

- Increased depreciation of $8.1 million due to higher capital expenditures placed in service.

Corporate and Other Operations

For the nine months ended September 30, 2018, Corporate and Other Operations reported an operating loss of $2.5 million compared to an operating loss of $4.7 million in the comparable 2017 period. This change resulted primarily from a favorable insurance reserve adjustment of $4.6 million.

Other Income (Deductions)

Other income (deductions) reduced income by $233.7 million for the nine months ended September 30, 2018 compared to a reduction in income of $261.0 million in the comparable 2017 period. This variance is primarily driven by higher actuarial investment returns resulting from our pension contribution made in the third quarter of 2017.

Income Taxes

The effective tax rate of net operating earnings was 18.5 percent compared to 34.9 percent for the same period last year. This variance is primarily due to the change in tax rates in 2018 as a result of the TCJA and the associated amortization of excess deferred tax regulatory liabilities.

NiSource Inc.

Consolidated Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

(in millions, except per share amounts)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net Revenues				
Operating Revenues	**$ 883.6**	$ 920.2	**$ 3,630.9**	$ 3,543.4
Cost of Sales (excluding depreciation and amortization)	**222.0**	233.6	**1,259.7**	1,062.7
Total Net Revenues (Non-GAAP)	**661.6**	686.6	**2,371.2**	2,480.7
Operating Expenses				
Operation and maintenance	**308.6**	339.4	**983.0**	1,031.5
Operation and maintenance - trackers	**21.2**	24.1	**111.2**	128.6
Depreciation and amortization	**144.4**	132.4	**424.3**	391.6
Depreciation and amortization - trackers	**4.1**	10.6	**13.5**	36.9
Other taxes	**48.8**	48.0	**150.5**	143.8
Other taxes - trackers	**9.5**	9.5	**52.2**	45.9
Total Operating Expenses	**536.6**	564.0	**1,734.7**	1,778.3
Operating Earnings	**125.0**	**122.6**	**636.5**	**702.4**
Other Income (Deductions)				
Interest expense, net	**(83.4)**	(87.9)	**(265.2)**	(260.8)
Other, net	**8.7**	(6.6)	**33.0**	1.8
Other, net - trackers	**(0.1)**	(0.2)	**(1.5)**	(2.0)
Total Other Deductions, Net	**(74.8)**	(94.7)	**(233.7)**	(261.0)
Operating Earnings Before Income Taxes	**50.2**	27.9	**402.8**	441.4
Income Taxes	**9.3**	4.6	**74.5**	154.2
Net Operating Earnings	**40.9**	23.3	**328.3**	287.2
Preferred dividends	**(5.6)**	—	**(6.9)**	—
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**35.3**	23.3	**321.4**	287.2
Non-GAAP Basic Net Operating Earnings Per Share	**$ 0.10**	$ 0.07	**$ 0.91**	$ 0.88
Basic Average Common Shares Outstanding	**363.9**	331.1	**352.1**	326.7

NiSource Inc.

Segment Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Gas Distribution Operations *(in millions)*	Three Months Ended September 30, 2018	2017	Nine Months Ended September 30, 2018	2017
Net Revenues				
Operating revenues	**$ 422.6**	$ 435.2	**$ 2,353.3**	$ 2,181.0
Cost of Sales (excluding depreciation and amortization)	**85.7**	94.6	**875.1**	662.0
Net Revenues (Non-GAAP)	**336.9**	340.6	**1,478.2**	1,519.0
Operating Expenses				
Operation and maintenance	**218.0**	234.8	**684.8**	692.0
Operation and maintenance - trackers	**9.5**	8.8	**78.4**	85.5
Depreciation and amortization	**72.6**	67.8	**213.5**	198.4
Depreciation and amortization - trackers	**(0.1)**	0.1	**1.5**	1.1
Other taxes	**30.3**	28.4	**94.9**	88.7
Other taxes - trackers	**9.5**	9.5	**52.2**	45.9
Total Operating Expenses	**339.8**	349.4	**1,125.3**	1,111.6
Operating Earnings (Loss) (Non-GAAP)	**$ (2.9)**	$ (8.8)	**$ 352.9**	$ 407.4

Electric Operations *(in millions)*	Three Months Ended September 30, 2018	2017	Nine Months Ended September 30, 2018	2017
Net Revenues				
Operating Revenues	**$ 464.3**	$ 488.6	**$ 1,287.4**	$ 1,372.7
Cost of Sales (excluding depreciation and amortization)	**136.3**	139.0	**384.6**	400.9
Net Revenues (Non-GAAP)	**328.0**	349.6	**902.8**	971.8
Operating Expenses				
Operation and maintenance	**111.7**	118.7	**341.8**	372.2
Operation and maintenance - trackers	**11.7**	15.3	**32.8**	43.1
Depreciation and amortization	**62.1**	59.3	**184.3**	176.2
Depreciation and amortization - trackers	**4.2**	10.5	**12.0**	35.8
Other taxes	**15.5**	16.1	**45.8**	44.8
Total Operating Expenses	**205.2**	219.9	**616.7**	672.1
Operating Earnings (Non-GAAP)	**$ 122.8**	$ 129.7	**$ 286.1**	$ 299.7

Corporate and Other Operations *(in millions)*	Three Months Ended September 30, 2018	2017	Nine Months Ended September 30, 2018	2017
Operating Income (Loss) (Non-GAAP)	**$ 5.1**	$ 1.7	**$ (2.5)**	$ (4.7)

NiSource Inc.

Segment Volumes and Statistical Data *(unaudited)*

Gas Distribution Operations	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Sales and Transportation (MMDth)				
Residential	**13.8**	14.5	**187.9**	157.2
Commercial	**17.5**	17.3	**129.7**	111.3
Industrial	**132.1**	125.9	**417.7**	380.3
Off-System	**7.5**	11.1	**21.9**	33.8
Other	**—**	0.3	**0.3**	0.2
Total	**170.9**	169.1	**757.5**	682.8
Weather Adjustment	**0.7**	0.8	**(8.4)**	39.2
Sales and Transportation Volumes - Excluding Weather	**171.6**	169.9	**749.1**	722.0
Customers				
Residential			**3,140,942**	3,114,223
Commercial			**276,832**	275,424
Industrial			**6,174**	6,163
Other			**5**	3
Total			**3,423,953**	3,395,813
Heating Degree Days	**51**	75	**3,498**	2,911
Normal Heating Degree Days	**85**	85	**3,576**	3,576
% Warmer than Normal	**(40)%**	(12)%	**(2)%**	(19)%

Electric Operations	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Sales (Gigawatt Hours)				
Residential	**1,121.5**	1,002.3	**2,754.6**	2,523.9
Commercial	**1,079.6**	1,042.7	**2,929.0**	2,868.1
Industrial	**2,223.3**	2,390.9	**6,785.8**	7,192.7
Wholesale	**2.5**	6.1	**94.8**	28.0
Other	**34.7**	31.2	**95.2**	96.3
Total	**4,461.6**	4,473.2	**12,659.4**	12,709.0
Weather Adjustment	**(158.7)**	31.4	**(229.3)**	83.2
Sales Volumes - Excluding Weather	**4,302.9**	4,504.6	**12,430.1**	12,792.2
Customers				
Residential			**410,848**	407,998
Commercial			**56,426**	55,912
Industrial			**2,285**	2,311
Wholesale			**736**	740
Other			**2**	2
Total			**470,297**	466,963
Cooling Degree Days	**739**	540	**1,131**	804
Normal Cooling Degree Days	**570**	570	**799**	799
% Warmer (Colder) than Normal	**30 %**	(5)%	**42 %**	1 %

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income (Loss) Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

(in millions, except per share amounts)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
GAAP Net Income (Loss) Available to Common Shareholders	**$ (345.1)**	$ 14.0	**$ (45.8)**	$ 180.9
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	**(11.4)**	3.2	**(21.9)**	37.1
Operating Expenses:				
Plant retirement costs[1]	**—**	—	**3.3**	1.5
IT service provider transition costs[2]	**—**	8.2	**—**	13.3
Greater Lawrence Incident[3]	**451.6**	—	**451.6**	—
(Gain) Loss on sale of assets and impairments, net	**0.7**	—	**0.4**	(0.1)
Total adjustments to operating income (loss)	**440.9**	11.4	**433.4**	51.8
Other Income (Deductions):				
Greater Lawrence Incident - Charitable contribution[3]	**10.3**	—	**10.3**	—
Interest rate swap settlement gain	**—**	—	**(21.2)**	—
Loss on early extinguishment of long-term debt	**33.0**	—	**45.5**	111.5
Income Taxes:				
Tax effect of above items	**(103.8)**	(2.1)	**(100.8)**	(57.0)
Total adjustments to net income (loss)	**380.4**	9.3	**367.2**	106.3
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 35.3**	$ 23.3	**$ 321.4**	$ 287.2
Basic Average Common Shares Outstanding	**363.9**	331.1	**352.1**	326.7
GAAP Basic Earnings (Loss) Per Share	**$ (0.95)**	$ 0.04	**$ (0.13)**	$ 0.55
Adjustments to basic earnings (loss) per share	**1.05**	0.03	**1.04**	0.33
Non-GAAP Basic Net Operating Earnings Per Share	**$ 0.10**	$ 0.07	**$ 0.91**	$ 0.88

(1) Represents costs incurred associated with the planned retirement of Units 7 and 8 at Bailly Generating Station.

(2) Represents contract termination costs and external legal and consulting costs associated with termination of the IBM IT services agreement and the transition to a new multi-vendor strategy for IT service delivery.

(3) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.

NiSource Inc.
Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Three Months Ended September 30, 2018 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (Loss) (GAAP)	**$ (455.2)**	**$ 134.9**	**$ 4.4**	**$ (315.9)**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	0.7	(12.1)	—	**(11.4)**
Operating Expenses:				
Greater Lawrence Incident[1]	451.6	—	—	**451.6**
Loss on sale of assets	—	—	0.7	**0.7**
Total Adjustments to Operating Income (Loss)	**452.3**	**(12.1)**	**0.7**	**440.9**
Operating Earnings (Loss) (Non-GAAP)	**$ (2.9)**	**$ 122.8**	**$ 5.1**	**$ 125.0**

[1] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.

Three Months Ended September 30, 2017 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (Loss) (GAAP)	**$ (15.4)**	**$ 125.1**	**$ 1.5**	**$ 111.2**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	0.6	2.6	—	**3.2**
Operating Expenses:				
IT service provider transition costs[1]	6.0	2.0	0.2	**8.2**
Total Adjustments to Operating Income (Loss)	**6.6**	**4.6**	**0.2**	**11.4**
Operating Earnings (Loss) (Non-GAAP)	**$ (8.8)**	**$ 129.7**	**$ 1.7**	**$ 122.6**

[1] Represents contract termination costs and external legal and consulting costs associated with termination of the IBM IT services agreement and the transition to a new multi-vendor strategy for IT service delivery.

Nine Months Ended September 30, 2018 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (Loss) (GAAP)	**$ (94.4)**	**$ 300.4**	**$ (2.9)**	**$ 203.1**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	(4.3)	(17.6)	—	**(21.9)**
Operating Expenses:				
Plant retirement costs[1]	—	3.3	—	**3.3**
Greater Lawrence Incident[2]	451.6	—	—	**451.6**
Loss on sale of assets and impairments, net	—	—	0.4	**0.4**
Total Adjustments to Operating Income (Loss)	**447.3**	**(14.3)**	**0.4**	**433.4**
Operating Earnings (Loss) (Non-GAAP)	**$ 352.9**	**$ 286.1**	**$ (2.5)**	**$ 636.5**

[1] Represents costs incurred associated with the planned retirement of Units 7 and 8 at Bailly Generating Station.
[2] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Nine Months Ended September 30, 2017 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 367.1**	**$ 288.3**	**$ (4.8)**	**$ 650.6**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	30.5	6.6	—	**37.1**
Operating Expenses:				
Plant retirement costs(1)	—	1.5	—	**1.5**
IT service provider transition costs(2)	9.8	3.3	0.2	**13.3**
Gain on sale of assets and impairments, net	—	—	(0.1)	**(0.1)**
Total Adjustments to Operating Income (Loss)	**40.3**	**11.4**	**0.1**	**51.8**
Operating Earnings (Loss) (Non-GAAP)	**$ 407.4**	**$ 299.7**	**$ (4.7)**	**$ 702.4**

(1) Represents employee severance costs incurred associated with the planned retirement of Units 7 and 8 at Bailly Generating Station.
(2) Represents contract termination costs and external legal and consulting costs associated with termination of the IBM IT services agreement and the transition to a new mutli-vendor strategy for IT service delivery.

NiSource Inc.
Consolidated Income Statements (GAAP)

(in millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	**2018**	2017
Operating Revenues				
Customer revenues	**$ 855.8**	$ 883.4	**$ 3,555.1**	$ 3,386.0
Other revenues	**39.2**	33.6	**97.7**	120.3
Total Operating Revenues	**895.0**	917.0	**3,652.8**	3,506.3
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**222.0**	233.6	**1,259.7**	1,062.7
Operation and maintenance	**780.8**	371.7	**1,548.5**	1,174.9
Depreciation and amortization	**148.5**	143.0	**437.8**	428.5
Loss (Gain) on sale of assets and impairments, net	**0.7**	—	**0.4**	(0.1)
Other taxes	**58.9**	57.5	**203.3**	189.7
Total Operating Expenses	**1,210.9**	805.8	**3,449.7**	2,855.7
Operating Income (Loss)	**(315.9)**	111.2	**203.1**	650.6
Other Income (Deductions)				
Interest expense, net	**(83.4)**	(87.9)	**(265.2)**	(260.8)
Other, net	**(1.7)**	(6.8)	**42.4**	(0.3)
Loss on early extinguishment of long-term debt	**(33.0)**	—	**(45.5)**	(111.5)
Total Other Deductions, Net	**(118.1)**	(94.7)	**(268.3)**	(372.6)
Income (Loss) before Income Taxes	**(434.0)**	16.5	**(65.2)**	278.0
Income Taxes	**(94.5)**	2.5	**(26.3)**	97.1
Net Income (Loss)	**(339.5)**	14.0	**(38.9)**	180.9
Preferred dividends	**(5.6)**	—	**(6.9)**	—
Net Income (Loss) Available to Common Shareholders	**(345.1)**	14.0	**(45.8)**	180.9
Earnings (Loss) Per Share				
Basic Earnings (Loss) Per Share	**$ (0.95)**	$ 0.04	**$ (0.13)**	$ 0.55
Diluted Earnings (Loss) Per Share	**$ (0.95)**	$ 0.04	**$ (0.13)**	$ 0.55
Dividends Declared Per Common Share	**$ 0.195**	$ 0.175	**$ 0.780**	$ 0.700
Basic Average Common Shares Outstanding	**363.9**	331.1	**352.1**	326.7
Diluted Average Common Shares	**363.9**	332.4	**352.1**	328.0

NiSource Inc.
Consolidated Balance Sheets (GAAP)

(in millions)	**September 30, 2018**	December 31, 2017
ASSETS		
Property, Plant and Equipment		
Utility plant	**$ 22,328.2**	$ 21,026.6
Accumulated depreciation and amortization	**(7,171.0)**	(6,953.6)
Net utility plant	**15,157.2**	14,073.0
Other property, at cost, less accumulated depreciation	**17.2**	286.5
Net Property, Plant and Equipment	**15,174.4**	14,359.5
Investments and Other Assets		
Unconsolidated affiliates	**2.6**	5.5
Other investments	**214.5**	204.1
Total Investments and Other Assets	**217.1**	209.6
Current Assets		
Cash and cash equivalents	**41.8**	29.0
Restricted cash	**12.0**	9.4
Accounts receivable (less reserve of $13.0 and $18.3, respectively)	**500.4**	898.9
Gas inventory	**320.2**	285.1
Materials and supplies, at average cost	**97.7**	105.9
Electric production fuel, at average cost	**49.0**	80.1
Exchange gas receivable	**37.3**	45.8
Regulatory assets	**221.0**	176.3
Prepayments and other	**89.7**	132.8
Total Current Assets	**1,369.1**	1,763.3
Other Assets		
Regulatory assets	**1,907.4**	1,624.9
Goodwill	**1,690.7**	1,690.7
Intangible assets, net	**223.5**	231.7
Deferred charges and other	**117.2**	82.0
Total Other Assets	**3,938.8**	3,629.3
Total Assets	**$ 20,699.4**	$ 19,961.7

NiSource Inc.
Consolidated Balance Sheets (GAAP) (continued)

(in millions, except share amounts)	**September 30, 2018**	December 31, 2017
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 363,167,067 and 337,015,806 shares outstanding, respectively	**$ 3.7**	$ 3.4
Preferred stock - $1,000 par value, 20,000,000 shares authorized; 400,000 shares outstanding	**393.9**	—
Treasury stock	**(99.9)**	(95.9)
Additional paid-in capital	**6,161.0**	5,529.1
Retained deficit	**(1,387.5)**	(1,073.1)
Accumulated other comprehensive income (loss)	**2.5**	(43.4)
Total Stockholders' Equity	**5,073.7**	4,320.1
Long-term debt, excluding amounts due within one year	**7,094.5**	7,512.2
Total Capitalization	**12,168.2**	11,832.3
Current Liabilities		
Current portion of long-term debt	**48.6**	284.3
Short-term borrowings	**1,611.0**	1,205.7
Accounts payable	**433.7**	625.6
Dividends payable - common stock	**70.8**	—
Dividends payable - preferred stock	**11.6**	—
Customer deposits and credits	**238.4**	262.6
Taxes accrued	**150.0**	208.1
Interest accrued	**108.0**	112.3
Risk management liabilities	**4.8**	43.2
Exchange gas payable	**58.2**	59.6
Regulatory liabilities	**81.9**	58.7
Legal and environmental	**20.4**	32.1
Accrued compensation and employee benefits	**153.4**	195.4
Claims accrued	**365.9**	12.5
Other accruals	**54.5**	78.3
Total Current Liabilities	**3,411.2**	3,178.4
Other Liabilities		
Risk management liabilities	**45.2**	28.5
Deferred income taxes	**1,291.7**	1,292.9
Deferred investment tax credits	**11.7**	12.4
Accrued insurance liabilities	**81.8**	80.1
Accrued liability for postretirement and postemployment benefits	**300.9**	337.1
Regulatory liabilities	**2,826.8**	2,736.9
Asset retirement obligations	**346.9**	268.7
Other noncurrent liabilities	**215.0**	194.4
Total Other Liabilities	**5,120.0**	4,951.0
Commitments and Contingencies	**—**	—
Total Capitalization and Liabilities	**$ 20,699.4**	$ 19,961.7

NiSource Inc.

Statements of Consolidated Cash Flows (GAAP)

Nine Months Ended September 30, *(in millions)*	2018	2017
Operating Activities		
Net Income	**$ (38.9)**	$ 180.9
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Loss on early extinguishment of debt	**45.5**	111.5
Depreciation and amortization	**437.8**	428.5
Deferred income taxes and investment tax credits	**(26.4)**	96.3
Other adjustments	**15.6**	28.5
Changes in Assets and Liabilities:		
Components of working capital	**442.9**	32.6
Regulatory assets/liabilities	**61.3**	(12.9)
Postretirement and postemployment benefits	**(41.4)**	(314.5)
Deferred charges and other noncurrent assets	**0.8**	(3.7)
Other noncurrent liabilities	**30.0**	(17.6)
Net Cash Flows from Operating Activities	**927.2**	529.6
Investing Activities		
Capital expenditures	**(1,296.6)**	(1,216.4)
Cost of removal	**(72.6)**	(78.9)
Purchases of available-for-sale securities	**(71.4)**	(139.4)
Sales of available-for-sale securities	**58.5**	129.4
Other investing activities	**5.6**	(1.4)
Net Cash Flows used for Investing Activities	**(1,376.5)**	(1,306.7)
Financing Activities		
Issuance of long-term debt	**350.0**	2,750.0
Repayments of long-term debt and capital lease obligations	**(1,044.0)**	(1,352.4)
Premiums and other debt related costs	**(46.1)**	(139.8)
Issuance of short-term debt (maturity > 90 days)	**600.0**	—
Change in short-term borrowings, net (maturity ≤ 90 days)	**(194.6)**	(644.9)
Issuance of common stock	**611.6**	332.6
Issuance of preferred stock	**394.3**	—
Acquisition of treasury stock	**(4.0)**	(5.9)
Dividends paid - common stock	**(202.5)**	(170.2)
Net Cash Flows from Financing Activities	**464.7**	769.4
Change in cash, cash equivalents and restricted cash	**15.4**	(7.7)
Cash, cash equivalents and restricted cash at beginning of period	**38.4**	36.0
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 53.8**	$ 28.3