Segment and Financial Information Second Quarter 2020

Supplement to NiSource Second Quarter 2020 Earnings Presentation

NiSource®

Second Quarter 2020 Operating Earnings - Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the second quarter of 2020 were $165.3 million, compared to $131.4 million in the comparable 2019 period. Refer to the attached schedules for the items included in 2020 and 2019 GAAP operating income but excluded from operating earnings (non-GAAP).

Operating earnings (non-GAAP) for NiSource’s business segments for the three months ended June 30, 2020, are discussed below.

Gas Distribution Operations

For the second quarter of 2020, Gas Distribution Operations reported operating earnings of $73.4 million, compared to operating earnings of $46.8 million in the comparable 2019 period.

Operating revenues for the second quarter of 2020 were $606.2 million, a decrease of $2.3 million from the comparable 2019 period. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $17.5 million.
- The effects of decreased industrial usage primarily related to COVID-19 of $4.7 million.
- The effects of decreased late payment and reconnection fees primarily related to COVID-19 of $3.0 million.

Partially offset by:

- New rates from infrastructure replacement programs and Columbia of Ohio's CEP of $14.2 million.
- The effects of customer growth of $5.0 million.
- Higher regulatory, tax and depreciation trackers, which are offset in operating expense, of $2.8 million.
- The effects of increased residential usage primarily related to COVID-19 of $0.7 million.

Operating expenses for the second quarter of 2020 were $532.8 million, a decrease of $28.9 million from the comparable 2019 period. The change in operating expenses was primarily driven by:

- Lower employee and administrative expenses of $22.4 million.
- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $17.5 million.

Partially offset by:

- Increased bad debt expense primarily related to COVID-19 of $6.2 million.
- Increased expenses primarily due to the impact of COVID-19 related materials and supplies, outside services, and sequestration expenses of $5.2 million.
- Higher regulatory, tax and depreciation trackers, which are offset in operating revenue, of $2.8 million.

Electric Operations

For the second quarter of 2020, Electric Operations reported operating earnings of $89.4 million, compared to operating earnings of $85.8 million in the comparable 2019 period.

Operating revenues for the second quarter of 2020 were $354.3 million, a decrease of $52.4 million from the comparable 2019 period. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $47.7 million.
- Lower regulatory and depreciation trackers, which are offset in operating expense, of $7.8 million.
- The effects of decreased commercial and industrial usage primarily related to COVID-19 of $13.1 million.
- The effects of decreased late payment and reconnection fees primarily related to COVID-19 of $0.8 million.

Partially offset by:

- New rates from the recent base rate proceeding and electric transmission projects of $6.8 million.
- The effects of increased residential usage primarily related to COVID-19 of $6.2 million.
- Decreased fuel handling costs of $3.2 million.

Operating expenses for the second quarter of 2020 were $264.9 million, a decrease of $56.0 million from the comparable 2019 period. The change in operating expenses was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $47.7 million.
- Lower outside services costs of $14.6 million primarily related to lower generation-related maintenance.
- Lower regulatory and depreciation trackers, which are offset in operating revenues, of $7.8 million.
- Lower employee and administrative costs of $7.0 million.

Partially offset by:

- Increased depreciation of $15.4 million primarily attributable to higher depreciation rates from the recent rate case proceeding.
- Increased expenses primarily due to the impact of COVID-19 related materials and supplies, outside services, and sequestration expenses of $4.3 million.
- Increased bad debt expense of $1.0 million primarily due to the impact of COVID-19.

Corporate and Other Operations

For the second quarter of 2020, Corporate and Other Operations reported operating earnings of $2.5 million compared to an operating loss of $1.2 million in the comparable 2019 period. This change resulted primarily from unrealized gains on the cash surrender value of corporate owned life insurance investments.

Other Income (Deductions)

Other income (deductions) reduced income by $90.5 million for the second quarter of 2020 compared to a reduction in income of $94.1 million in the comparable 2019 period. This change is primarily due to lower non-service pension costs driven by a decrease in the pension benefit obligations.

Income Taxes

The effective tax rate of net operating earnings was 14.4 percent compared to 11.8 percent for the same period last year. The increase in 2020 is primarily due to higher pre-tax income offset by increased amortization of excess deferred federal income tax liabilities.

Six Months Ended June 30, 2020 Operating Earnings - Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the six months ended June 30, 2020 were $628.0 million, compared to $628.5 million in the comparable 2019 period. Refer to the attached schedules for the items included in 2020 and 2019 GAAP operating income but excluded from operating earnings (non-GAAP).

Operating earnings (non-GAAP) for NiSource's business segments for the six months ended June 30, 2020, are discussed below.

Gas Distribution Operations

For the six months ended June 30, 2020, Gas Distribution Operations reported operating earnings of $465.0 million, compared to operating earnings of $444.5 million in the comparable 2019 period.

Operating revenues for the six months ended June 30, 2020 were $1,862.0 million, a decrease of $177.3 million from the comparable 2019 period. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $190.2 million.
- Lower regulatory, tax and depreciation trackers, which are offset in operating expense, of $11.1 million.
- The effects of decreased industrial usage primarily related to COVID-19 of $4.7 million.
- The effects of decreased late payment and reconnection fees primarily related to COVID-19 of $3.0 million.

Partially offset by:

- New rates from infrastructure replacement programs and Columbia of Ohio's CEP of $20.9 million.
- The effects of customer growth of $9.4 million.
- The effects of increased residential usage primarily related to COVID-19 of $0.7 million.

Operating expenses for the six months ended June 30, 2020 were $1,397.0 million, a decrease of $197.8 million from the comparable 2019 period. The change in operating expenses was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $190.2 million.

- Lower regulatory, tax and depreciation trackers, which are offset in operating revenues, of $11.1 million.
- Lower employee and administrative expenses of $10.3 million.

Partially offset by:

- Increased bad debt expense primarily related to COVID-19 of $6.2 million.
- Increased expenses primarily due to the impact of COVID-19 related materials & supplies, outside services, and sequestration expenses of $6.1 million.

Electric Operations

For the six months ended June 30, 2020, Electric Operations reported operating earnings of $169.4 million, compared to operating earnings of $181.2 million in the comparable 2019 period.

Operating revenues for the six months ended June 30, 2020 were $733.3 million, a decrease of $104.8 million from the comparable 2019 period. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $92.8 million.
- Lower regulatory and depreciation trackers, which are offset in operating expense, of $15.1 million.
- The effects of decreased commercial and industrial usage primarily related to COVID-19 of $13.1 million.
- The effects of decreased late payment and reconnection fees primarily related to COVID-19 of $0.8 million.

Partially offset by:

- New rates from the recent base rate proceeding and electric transmission projects of $8.3 million.
- The effects of increased residential usage primarily related to COVID-19 of $6.2 million.

Operating expenses for the six months ended June 30, 2020 were $563.9 million, a decrease of $93.0 million from the comparable 2019 period. The change in operating expenses was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization), which is offset in operating revenue, of $92.8 million.
- Lower outside services costs of $19.9 million primarily related to lower generation-related maintenance.
- Lower regulatory and depreciation trackers, which are offset in operating revenues, of $15.1 million.

Partially offset by:

- Increased depreciation of $30.5 million primarily attributable to higher depreciation rates from the recent rate case proceeding.
- Increased expenses primarily due to the impact of COVID-19 related materials and supplies, outside services, and sequestration expenses of $4.7 million.
- Increased environmental costs of $3.6 million.
- Increased bad debt expense of $1.0 million primarily due to the impact of COVID-19.

Corporate and Other Operations

For the six months ended June 30, 2020, Corporate and Other Operations reported an operating loss of $6.4 million compared to operating earnings of $2.8 million in the comparable 2019 period. This change resulted primarily from unfavorable insurance reserve adjustments and unrealized losses on the cash surrender value of corporate owned life insurance investments in the first quarter of 2020.

Other Income (Deductions)

Other income (deductions) reduced income by $178.0 million for the six months ended June 30, 2020 compared to a reduction in income of $190.4 million in the comparable 2019 period. This change is primarily due to lower non-service pension costs driven by a decrease in the pension benefit obligations.

Income Taxes

The effective tax rate of net operating earnings was 18.1 percent compared to 19.1 percent for the same period last year. The decrease in 2020 is primarily due to increased amortization of excess deferred federal income tax liabilities.

NiSource Inc.

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

(in millions, except per share amounts)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Operating Revenues	**$ 957.4**	$ 1,011.9	**$ 2,589.2**	$ 2,870.8
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**188.4**	253.5	**650.8**	933.8
Operation and maintenance	**305.6**	348.3	**666.1**	677.8
Operation and maintenance - trackers	**32.5**	34.4	**108.5**	123.7
Depreciation and amortization	**195.4**	172.3	**378.2**	341.0
Depreciation and amortization - trackers	**2.0**	5.6	**3.5**	12.0
Other taxes	**51.8**	50.4	**112.7**	110.1
Other taxes - trackers	**16.4**	16.0	**41.4**	43.9
Total Operating Expenses	**792.1**	880.5	**1,961.2**	2,242.3
Operating Earnings	**165.3**	**131.4**	**628.0**	**628.5**
Other Income (Deductions)				
Interest expense, net	**(97.0)**	(94.1)	**(189.9)**	(189.7)
Other, net	**7.0**	0.2	**13.5**	0.1
Other, net - trackers	**(0.5)**	(0.2)	**(1.6)**	(0.8)
Total Other Deductions, Net	**(90.5)**	(94.1)	**(178.0)**	(190.4)
Operating Earnings Before Income Taxes	**74.8**	37.3	**450.0**	438.1
Income Taxes	**10.8**	4.4	**81.3**	83.7
Net Operating Earnings	**64.0**	32.9	**368.7**	354.4
Preferred dividends	**(13.8)**	(13.8)	**(27.6)**	(27.6)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**50.2**	19.1	**341.1**	326.8
Non-GAAP Basic Net Operating Earnings Per Share	**$ 0.13**	$ 0.05	**$ 0.89**	$ 0.87
Basic Average Common Shares Outstanding	**383.5**	373.9	**383.3**	373.6

NiSource Inc.

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

Gas Distribution Operations	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(in millions)	**2020**	2019	**2020**	2019
Operating Revenues	**$ 606.2**	$ 608.5	**$ 1,862.0**	$ 2,039.3
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**119.2**	136.7	**496.6**	686.8
Operation and maintenance	**228.3**	250.5	**483.2**	490.7
Operation and maintenance - trackers	**24.6**	22.7	**91.7**	100.2
Depreciation and amortization	**106.0**	99.1	**202.0**	195.5
Depreciation and amortization - trackers	**0.7**	0.3	**1.2**	1.3
Other taxes	**37.6**	36.4	**80.9**	76.4
Other taxes - trackers	**16.4**	16.0	**41.4**	43.9
Total Operating Expenses	**532.8**	561.7	**1,397.0**	1,594.8
Operating Earnings (Non-GAAP)	**$ 73.4**	$ 46.8	**$ 465.0**	$ 444.5

Electric Operations	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(in millions)	**2020**	2019	**2020**	2019
Operating Revenues	**$ 354.3**	$ 406.7	**$ 733.3**	$ 838.1
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**69.2**	116.9	**154.2**	247.0
Operation and maintenance	**95.5**	112.1	**207.5**	222.0
Operation and maintenance - trackers	**7.9**	11.7	**16.8**	23.5
Depreciation and amortization	**79.3**	63.9	**157.2**	126.7
Depreciation and amortization - trackers	**1.3**	5.3	**2.3**	10.7
Other taxes	**11.7**	11.0	**25.9**	27.0
Total Operating Expenses	**264.9**	320.9	**563.9**	656.9
Operating Earnings (Non-GAAP)	**$ 89.4**	$ 85.8	**$ 169.4**	$ 181.2

Corporate and Other Operations	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(in millions)	**2020**	2019	**2020**	2019
Operating Earnings (Loss) (Non-GAAP)	**$ 2.5**	$ (1.2)	**$ (6.4)**	$ 2.8

NiSource Inc.

Segment Volumes and Statistical Data *(unaudited)*

Gas Distribution Operations	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Sales and Transportation (MMDth)				
Residential	**39.8**	32.2	**158.3**	172.9
Commercial	**28.4**	28.4	**102.1**	114.4
Industrial	**124.2**	125.4	**271.0**	273.5
Off-System	**4.1**	8.9	**15.3**	16.1
Other	**—**	0.1	**0.2**	0.3
Total	**196.5**	195.0	**546.9**	577.2
Weather Adjustment	**(6.5)**	0.2	**25.4**	(10.5)
Sales and Transportation Volumes - Excluding Weather	**190.0**	195.2	**572.3**	566.7
Customers				
Residential			**3,237,131**	3,180,255
Commercial			**282,482**	279,450
Industrial			**5,983**	6,078
Other			**3**	3
Total			**3,525,599**	3,465,786
Heating Degree Days	**728**	499	**3,168**	3,396
Normal Heating Degree Days	**563**	563	**3,460**	3,427
% Colder (Warmer) than Normal	**29 %**	(11)%	**(8)%**	(1)%

Electric Operations	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Sales (Gigawatt Hours)				
Residential	**834.0**	733.1	**1,589.5**	1,525.5
Commercial	**831.8**	891.0	**1,710.5**	1,785.4
Industrial	**1,467.5**	2,164.5	**3,538.6**	4,380.2
Wholesale	**4.9**	1.1	**76.3**	7.6
Other	**21.5**	22.3	**49.7**	56.8
Total	**3,159.7**	3,812.0	**6,964.6**	7,755.5
Weather Adjustment	**(25.6)**	4.5	**1.9**	14.5
Sales Volumes - Excluding Weather	**3,134.1**	3,816.5	**6,966.5**	7,770.0
Customers				
Residential			**417,251**	412,990
Commercial			**57,236**	56,788
Industrial			**2,164**	2,272
Wholesale			**723**	732
Other			**2**	3
Total			**477,376**	472,785
Cooling Degree Days	**292**	223	**292**	223
Normal Cooling Degree Days	**239**	245	**239**	245
% Warmer (Colder) than Normal	**22 %**	(9)	**22 %**	(9)

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)*

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share amounts)	**2020**	2019	**2020**	2019
GAAP Net Income (Loss) Available to Common Shareholders	**$ (18.5)**	$ 283.1	**$ 43.3**	$ 488.2
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	**(5.1)**	1.5	**21.2**	(9.4)
Operating Expenses:				
Greater Lawrence Incident[(1)]	**5.0**	(333.5)	**13.1**	(199.9)
Loss on classification as held for sale[(2)]	**84.4**	—	**364.6**	—
Plant retirement costs[(3)]	**4.6**	—	**4.6**	—
Massachusetts Business separation costs[(4)]	**5.2**	—	**5.2**	—
Massachusetts Business depreciation and amortization[(5)]	**(19.9)**	—	**(19.9)**	—
Loss (gain) on sale of fixed assets and impairments, net	**(0.6)**	(0.1)	**(0.7)**	0.1
Total adjustments to operating income	**73.6**	(332.1)	**388.1**	(209.2)
Income Taxes:				
Tax effect of above items[(6)]	**(4.9)**	68.1	**(90.3)**	47.8
Total adjustments to net income	**68.7**	(264.0)	**297.8**	(161.4)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 50.2**	$ 19.1	**$ 341.1**	$ 326.8
Basic Average Common Shares Outstanding	**383.5**	373.9	**383.3**	373.6
GAAP Basic Earnings (Loss) Per Share	**$ (0.05)**	$ 0.76	**$ 0.11**	$ 1.31
Adjustments to basic earnings per share	**0.18**	(0.71)	**0.78**	(0.44)
Non-GAAP Basic Net Operating Earnings Per Share	**$ 0.13**	$ 0.05	**$ 0.89**	$ 0.87

(1)Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.

(2)Represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell. Second quarter increase primarily includes the $56 million payment in lieu of penalties and approximately $28 million of capital expenditures that will not be recouped through the Asset Purchase Agreement.

(3)Represents costs incurred associated with the planned retirement of Units 14, 15, 17 and 18 at the Schahfer Generating Station. Includes costs for write downs of certain capital projects and materials and supplies inventory balances.

(4)Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business to Eversource that will occur at the consummation of the Asset Purchase Agreement.

(5)Represents depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

(6)Represents the tax effect of the adjustments to operating income, adjusted for the CMA non-deductible payment in lieu of penalties, tax effected at statutory tax rates.

NiSource Inc.

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

Three Months Ended June 30, 2020 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (GAAP)	**$ 1.7**	**$ 86.9**	**$ 3.1**	**$ 91.7**
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	(3.0)	(2.1)	—	**(5.1)**
Operating Expenses:				
Greater Lawrence Incident[(1)]	5.0	—	—	**5.0**
Loss on classification as held for sale[(2)]	84.4	—	—	**84.4**
Plant retirement costs[(3)]	—	4.6	—	**4.6**
Massachusetts Business separation costs[(4)]	5.2	—	—	**5.2**
Massachusetts Business depreciation and amortization[(5)]	(19.9)	—	—	**(19.9)**
Gain on sale of fixed assets and impairments, net	—	—	(0.6)	**(0.6)**
Total Adjustments to Operating Income	**71.7**	**2.5**	**(0.6)**	**73.6**
Operating Earnings (Non-GAAP)	**$ 73.4**	**$ 89.4**	**$ 2.5**	**$ 165.3**

[(1)]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.

[(2)]Represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell. Second quarter increase primarily includes the $56 million payment in lieu of penalties and approximately $28 million of capital expenditures that will not be recouped through the Asset Purchase Agreement.

[(3)]Represents costs incurred associated with the planned retirement of Units 14, 15, 17 and 18 at the Schahfer Generating Station. Includes costs for write downs of certain capital projects and materials and supplies inventory balances.

[(4)]Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business to Eversource that will occur at the consummation of the Asset Purchase Agreement.

[(5)]Represents depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

Three Months Ended June 30, 2019 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 379.0**	**$ 85.7**	**$ (1.2)**	**$ 463.5**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	1.4	0.1	—	**1.5**
Operating Expenses:				
Greater Lawrence Incident[(1)]	(333.5)	—	—	**(333.5)**
Gain on sale of fixed assets and impairments, net	(0.1)	—	—	**(0.1)**
Total Adjustments to Operating Income (Loss)	**(332.2)**	**0.1**	**—**	**(332.1)**
Operating Earnings (Loss) (Non-GAAP)	**$ 46.8**	**$ 85.8**	**$ (1.2)**	**$ 131.4**

[(1)] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded to date.

NiSource Inc.

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

Six Months Ended June 30, 2020 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 80.2**	**$ 165.4**	**$ (5.7)**	**$ 239.9**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	21.8	(0.6)	—	**21.2**
Operating Expenses:				
Greater Lawrence Incident[(1)]	13.1	—	—	**13.1**
Loss on classification as held for sale[(2)]	364.6	—	—	**364.6**
Plant retirement costs[(3)]	—	4.6	—	**4.6**
Massachusetts Business separation costs[(4)]	5.2	—	—	**5.2**
Massachusetts Business depreciation and amortization[(5)]	(19.9)	—	—	**(19.9)**
Gain on sale of fixed assets and impairments, net	—	—	(0.7)	**(0.7)**
Total Adjustments to Operating Income (Loss)	**384.8**	**4.0**	**(0.7)**	**388.1**
Operating Earnings (Loss) (Non-GAAP)	**$ 465.0**	**$ 169.4**	**$ (6.4)**	**$ 628.0**

[(1)]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.

[(2)]Represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell. Second quarter increase primarily includes the $56 million payment in lieu of penalties and approximately $28 million of capital expenditures that will not be recouped through the Asset Purchase Agreement.

[(3)]Represents costs incurred associated with the planned retirement of Units 14, 15, 17 and 18 at the Schahfer Generating Station. Includes costs for write downs of certain capital projects and materials and supplies inventory balances.

[(4)]Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business to Eversource that will occur at the consummation of the Asset Purchase Agreement.

[(5)]Represents depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

Six Months Ended June 30, 2019 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (GAAP)	**$ 654.4**	**$ 180.7**	**$ 2.6**	**$ 837.7**
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	(9.9)	0.5	—	**(9.4)**
Operating Expenses:				
Greater Lawrence Incident[(1)]	(199.9)	—	—	**(199.9)**
(Gain) loss on sale of fixed assets and impairments, net	(0.1)	—	0.2	**0.1**
Total Adjustments to Operating Income	**(209.9)**	**0.5**	**0.2**	**(209.2)**
Operating Earnings (Non-GAAP)	**$ 444.5**	**$ 181.2**	**$ 2.8**	**$ 628.5**

[(1)] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded to date.

NiSource Inc.

Consolidated Income Statements (GAAP)

(in millions, except per share amounts)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Operating Revenues				
Customer revenues	**$ 932.7**	$ 969.2	**$ 2,458.6**	$ 2,803.7
Other revenues	**30.0**	41.2	**109.6**	76.5
Total Operating Revenues	**962.7**	1,010.4	**2,568.2**	2,880.2
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**188.4**	253.5	**650.8**	933.8
Operation and maintenance	**353.1**	49.2	**797.7**	601.6
Depreciation and amortization	**177.5**	177.9	**361.8**	353.0
Loss on classification as held for sale	**84.4**	—	**364.6**	—
Loss (gain) on sale of fixed assets and impairments, net	**(0.6)**	(0.1)	**(0.7)**	0.1
Other taxes	**68.2**	66.4	**154.1**	154.0
Total Operating Expenses	**871.0**	546.9	**2,328.3**	2,042.5
Operating Income	**91.7**	463.5	**239.9**	837.7
Other Income (Deductions)				
Interest expense, net	**(97.0)**	(94.1)	**(189.9)**	(189.7)
Other, net	**6.5**	(0.3)	**11.9**	(1.0)
Total Other Deductions, Net	**(90.5)**	(94.4)	**(178.0)**	(190.7)
Income before Income Taxes	**1.2**	369.1	**61.9**	647.0
Income Taxes	**5.9**	72.2	**(9.0)**	131.2
Net Income (Loss)	**(4.7)**	296.9	**70.9**	515.8
Preferred dividends	**(13.8)**	(13.8)	**(27.6)**	(27.6)
Net Income (Loss) Available to Common Shareholders	**(18.5)**	283.1	**43.3**	488.2
Earnings (Loss) Per Share				
Basic Earnings (Loss) Per Share	**$ (0.05)**	$ 0.76	**$ 0.11**	$ 1.31
Diluted Earnings (Loss) Per Share	**$ (0.05)**	$ 0.75	**$ 0.11**	$ 1.30
Basic Average Common Shares Outstanding	**383.5**	373.9	**383.3**	373.6
Diluted Average Common Shares	**383.5**	375.2	**384.2**	374.9

NiSource Inc.
Consolidated Balance Sheets (GAAP)

(in millions)		**June 30, 2020**		December 31, 2019
ASSETS				
Property, Plant and Equipment				
Utility plant	**$**	**20,427.1**	$	24,502.6
Accumulated depreciation and amortization		**(5,549.0)**		(7,609.3)
Net utility plant		**14,878.1**		16,893.3
Other property, at cost, less accumulated depreciation		**894.3**		18.9
Net Property, Plant and Equipment		**15,772.4**		16,912.2
Investments and Other Assets				
Unconsolidated affiliates		**1.4**		1.3
Available-for-sale debt securities (amortized cost of $151.4 and $150.1, allowance for credit losses of $0.8 and $0, respectively)		**155.2**		154.2
Other investments		**72.6**		74.7
Total Investments and Other Assets		**229.2**		230.2
Current Assets				
Cash and cash equivalents		**142.2**		139.3
Restricted cash		**11.4**		9.1
Accounts receivable		**577.1**		876.1
Allowance for credit losses		**(31.4)**		(19.2)
Accounts receivable, net		**545.7**		856.9
Gas inventory		**112.4**		250.9
Materials and supplies, at average cost		**131.8**		120.2
Electric production fuel, at average cost		**67.6**		53.6
Exchange gas receivable		**17.9**		48.5
Assets held for sale		**1,542.3**		—
Regulatory assets		**145.7**		225.7
Prepayments and other		**142.6**		149.7
Total Current Assets		**2,859.6**		1,853.9
Other Assets				
Regulatory assets		**1,926.3**		2,013.9
Goodwill		**1,485.9**		1,485.9
Deferred charges and other		**163.1**		163.7
Total Other Assets		**3,575.3**		3,663.5
Total Assets	**$**	**22,436.5**	$	22,659.8

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

(in millions, except share amounts)		**June 30, 2020**		December 31, 2019
CAPITALIZATION AND LIABILITIES				
Capitalization				
Stockholders' Equity				
Common stock - $0.01 par value, 600,000,000 shares authorized; 382,917,033 and 382,135,680 shares outstanding, respectively	**$**	**3.8**	$	3.8
Preferred stock - $0.01 par value, 20,000,000 shares authorized; 440,000 shares outstanding		**880.0**		880.0
Treasury stock		**(99.9)**		(99.9)
Additional paid-in capital		**6,676.5**		6,666.2
Retained deficit		**(1,576.7)**		(1,370.8)
Accumulated other comprehensive loss		**(221.9)**		(92.6)
Total Stockholders' Equity		**5,661.8**		5,986.7
Long-term debt, excluding amounts due within one year		**8,810.2**		7,856.2
Total Capitalization		**14,472.0**		13,842.9
Current Liabilities				
Current portion of long-term debt		**15.6**		13.4
Short-term borrowings		**1,163.5**		1,773.2
Accounts payable		**402.5**		666.0
Dividends payable - common stock		**80.4**		—
Dividends payable - preferred stock		**8.1**		—
Customer deposits and credits		**163.1**		256.4
Taxes accrued		**195.7**		231.6
Interest accrued		**106.0**		99.4
Risk management liabilities		**120.0**		12.6
Exchange gas payable		**27.7**		59.7
Regulatory liabilities		**184.9**		160.2
Liabilities held for sale		**455.4**		—
Legal and environmental		**21.6**		20.1
Accrued compensation and employee benefits		**120.3**		156.3
Claims accrued		**22.4**		165.4
Other accruals		**140.5**		131.5
Total Current Liabilities		**3,227.7**		3,745.8
Other Liabilities				
Risk management liabilities		**200.0**		134.0
Deferred income taxes		**1,477.4**		1,485.3
Deferred investment tax credits		**9.1**		9.7
Accrued insurance liabilities		**85.4**		81.5
Accrued liability for postretirement and postemployment benefits		**351.3**		373.2
Regulatory liabilities		**1,967.7**		2,352.0
Asset retirement obligations		**447.1**		416.9
Other noncurrent liabilities		**198.8**		218.5
Total Other Liabilities		**4,736.8**		5,071.1
Commitments and Contingencies		**—**		—
Total Capitalization and Liabilities	**$**	**22,436.5**	$	22,659.8

NiSource Inc.

Statements of Consolidated Cash Flows (GAAP)

Six Months Ended June 30, (*in millions*)		**2020**		2019
Operating Activities				
Net Income	**$**	**70.9**	$	515.8
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:				
Depreciation and amortization		**361.8**		353.0
Deferred income taxes and investment tax credits		**(11.4)**		126.5
Loss on classification as held for sale		**364.6**		—
Other adjustments		**7.7**		13.6
Changes in Assets and Liabilities:				
Components of working capital		**(75.9)**		(9.0)
Regulatory assets/liabilities		**17.0**		(40.9)
Deferred charges and other noncurrent assets		**(17.4)**		(68.4)
Other noncurrent liabilities		**(9.6)**		35.6
Net Cash Flows from Operating Activities		**707.7**		926.2
Investing Activities				
Capital expenditures		**(819.3)**		(843.5)
Cost of removal		**(66.7)**		(55.7)
Other investing activities		**(0.6)**		1.2
Net Cash Flows used for Investing Activities		**(886.6)**		(898.0)
Financing Activities				
Issuance of long-term debt		**1,000.0**		—
Repayments of long-term debt and finance lease obligations		**(7.8)**		(46.0)
Issuance of short-term debt (maturity > 90 days)		**1,350.0**		500.0
Repayment of short-term debt (maturity > 90 days)		**(1,350.0)**		(350.0)
Change in short-term borrowings, net (maturity ≤ 90 days)		**(609.7)**		(46.2)
Issuance of common stock, net of issuance costs		**7.5**		7.1
Equity costs, premiums and other debt related costs		**(17.6)**		(4.2)
Dividends paid - common stock		**(160.7)**		(149.1)
Dividends paid - preferred stock		**(27.6)**		(28.5)
Net Cash Flows from (used for) Financing Activities		**184.1**		(116.9)
Change in cash, cash equivalents and restricted cash		**5.2**		(88.7)
Cash, cash equivalents and restricted cash at beginning of period		**148.4**		121.1
Cash, Cash Equivalents and Restricted Cash at End of Period	**$**	**153.6**	$	32.4