

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-16189

**NiSource Inc.**

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction of  
incorporation or organization)

801 East 86th Avenue  
Merrillville, IN

(Address of principal executive offices)

35-2108964

(I.R.S. Employer  
Identification No.)

46410

(Zip Code)

(877) 647-5990

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

|                                          | Title of Each Class | Trading   | Name of Each Exchange on Which |
|------------------------------------------|---------------------|-----------|--------------------------------|
|                                          |                     | Symbol(s) | Registered                     |
| Common Stock, par value \$0.01 per share |                     | NI        | NYSE                           |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.)

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Emerging growth company ☐ Non-accelerated filer ☐ Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, \$0.01 Par Value: 448,305,338 shares outstanding at April 30, 2024.

**NISOURCE INC.**  
**FORM 10-Q QUARTERLY REPORT**  
**FOR THE QUARTER ENDED MARCH 31, 2024**

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## **DEFINED TERMS**

The following is a list of frequently used abbreviations or acronyms that are found in this report:

### **NiSource Subsidiaries and Affiliates (not exhaustive)**

|                                |                                                                                                          |
|--------------------------------|----------------------------------------------------------------------------------------------------------|
| Columbia of Kentucky           | Columbia Gas of Kentucky, Inc.                                                                           |
| Columbia of Maryland           | Columbia Gas of Maryland, Inc.                                                                           |
| Columbia of Ohio               | Columbia Gas of Ohio, Inc.                                                                               |
| Columbia of Pennsylvania       | Columbia Gas of Pennsylvania, Inc.                                                                       |
| Columbia of Virginia           | Columbia Gas of Virginia, Inc.                                                                           |
| NIPSCO                         | Northern Indiana Public Service Company LLC                                                              |
| NIPSCO Holdings I              | NIPSCO Holdings I LLC                                                                                    |
| NIPSCO Holdings II             | NIPSCO Holdings II LLC                                                                                   |
| NiSource ("we," "us" or "our") | NiSource Inc.                                                                                            |
| Rosewater                      | Rosewater Wind Generation LLC and its wholly owned subsidiary, Rosewater Wind Farm LLC                   |
| Indiana Crossroads Wind        | Indiana Crossroads Wind Generation LLC and its wholly owned subsidiary, Indiana Crossroads Wind Farm LLC |
| Indiana Crossroads Solar       | Indiana Crossroads Solar Generation LLC and its wholly owned subsidiary, Meadow Lake Solar Park LLC      |
| Dunns Bridge I                 | Dunn's Bridge I Solar Generation LLC and its wholly owned subsidiary, Dunns Bridge Solar Center, LLC     |
| Dunns Bridge II                | Dunn's Bridge II Solar Generation LLC                                                                    |
| Gibson                         | Gibson Solar Generation LLC                                                                              |
| Fairbanks                      | Fairbanks Solar Generation LLC                                                                           |
| Cavalry                        | Cavalry Solar Generation LLC                                                                             |

### **Abbreviations and Other**

|                     |                                                                                                                 |
|---------------------|-----------------------------------------------------------------------------------------------------------------|
| AFUDC               | Allowance for funds used during construction                                                                    |
| AOI                 | Accumulated Other Comprehensive Income (Loss)                                                                   |
| ASC                 | Accounting Standards Codification                                                                               |
| ASU                 | Accounting Standards Update                                                                                     |
| ATM                 | At-the-market                                                                                                   |
| BIP                 | BIP Blue Buyer L.L.C                                                                                            |
| Blackstone          | Blackstone Infrastructure Partners L.P                                                                          |
| BTA                 | Build-transfer agreement                                                                                        |
| CCRs                | Coal Combustion Residuals                                                                                       |
| CEP                 | Capital Expenditure Program                                                                                     |
| CERCLA              | Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)                   |
| Columbia Operations | Reportable segment comprised of the results of Columbia Gas distribution companies and all related subsidiaries |
| Corporate Units     | Series A Corporate Units                                                                                        |
| DSM                 | Demand Side Management                                                                                          |
| EGUs                | Electric Utility Generating Units                                                                               |
| EPA                 | United States Environmental Protection Agency                                                                   |
| EPS                 | Earnings per share                                                                                              |
| Equity Units        | Series A Equity Units                                                                                           |
| FAC                 | Fuel adjustment clause                                                                                          |

|                                      | <b><u>DEFINED TERMS</u></b>                                                                                                                                                                                                                                                                 |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FASB                                 | Financial Accounting Standards Board                                                                                                                                                                                                                                                        |
| FMCA                                 | Federally Mandated Cost Adjustment                                                                                                                                                                                                                                                          |
| GAAP                                 | Generally Accepted Accounting Principles                                                                                                                                                                                                                                                    |
| GCA                                  | Gas cost adjustment                                                                                                                                                                                                                                                                         |
| GHG                                  | Greenhouse gases                                                                                                                                                                                                                                                                            |
| GWh                                  | Gigawatt hours                                                                                                                                                                                                                                                                              |
| IRA                                  | Inflation Reduction Act of 2022                                                                                                                                                                                                                                                             |
| IRP                                  | Infrastructure Replacement Program                                                                                                                                                                                                                                                          |
| IURC                                 | Indiana Utility Regulatory Commission                                                                                                                                                                                                                                                       |
| JV                                   | Joint Venture                                                                                                                                                                                                                                                                               |
| LIFO                                 | Last In, First Out                                                                                                                                                                                                                                                                          |
| LIHEAP                               | Low Income Heating Energy Assistance Program                                                                                                                                                                                                                                                |
| MGP                                  | Manufactured Gas Plant                                                                                                                                                                                                                                                                      |
| MISO                                 | Midcontinent Independent System Operator                                                                                                                                                                                                                                                    |
| MMDth                                | Million dekatherms                                                                                                                                                                                                                                                                          |
| MW                                   | Megawatts                                                                                                                                                                                                                                                                                   |
| MWh                                  | Megawatt hours                                                                                                                                                                                                                                                                              |
| NIPSCO Electric                      | The electric generation and transmission activities of the NIPSCO Operations reportable segment                                                                                                                                                                                             |
| NIPSCO Gas                           | The gas distribution activities of the NIPSCO Operations reportable segment                                                                                                                                                                                                                 |
| NIPSCO Minority Interest Transaction | A transaction between NiSource, NIPSCO Holdings II (sole owner of NIPSCO) and an affiliate of Blackstone pursuant to a purchase and sale agreement entered into on June 17, 2023, that offered equity interests in NIPSCO Holdings II in exchange for capital contributions by the parties. |
| NIPSCO Operations                    | Reportable segment comprised of the results of NIPSCO Holdings I, NIPSCO Holdings II, and NIPSCO and all related subsidiaries                                                                                                                                                               |
| NYMEX                                | New York Mercantile Exchange                                                                                                                                                                                                                                                                |
| OPEB                                 | Other Postemployment Benefits                                                                                                                                                                                                                                                               |
| PHMSA                                | Pipeline and Hazardous Materials Safety Administration                                                                                                                                                                                                                                      |
| PPA                                  | Power Purchase Agreement                                                                                                                                                                                                                                                                    |
| RNG                                  | Renewable Natural Gas                                                                                                                                                                                                                                                                       |
| SAVE                                 | Steps to Advance Virginia's Energy Plan                                                                                                                                                                                                                                                     |
| Scope 1 GHG Emissions                | Direct emissions from sources owned or controlled by us (e.g., emissions from our combustion of fuel, vehicles, and process emissions and fugitive emissions)                                                                                                                               |
| Scope 2 GHG Emissions                | Indirect emissions from sources owned or controlled by us                                                                                                                                                                                                                                   |
| SEC                                  | Securities and Exchange Commission                                                                                                                                                                                                                                                          |
| SMRP                                 | Safety Modification and Replacement Program                                                                                                                                                                                                                                                 |
| SMS                                  | Safety Management System                                                                                                                                                                                                                                                                    |
| TCJA                                 | An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (commonly known as the Tax Cuts and Jobs Act of 2017)                                                                                                      |
| TDSIC                                | Transmission, Distribution and Storage System Improvement Charge                                                                                                                                                                                                                            |
| VIE                                  | Variable Interest Entity                                                                                                                                                                                                                                                                    |
| WAM                                  | Work and Asset Management                                                                                                                                                                                                                                                                   |

### *Note regarding forward-looking statements*

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements concerning our plans, strategies, objectives, expected performance, expenditures, recovery of expenditures through rates, stated on either a consolidated or segment basis, and any and all underlying assumptions and other statements that are other than statements of historical fact. Expressions of future goals and expectations and similar expressions, including "may," "will," "should," "could," "would," "aims," "seeks," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 and expectations discussed in this Quarterly Report on Form 10-Q include, among other things:

- our ability to execute our business plan or growth strategy, including utility infrastructure investments;
- potential incidents and other operating risks associated with our business;
- our ability to work successfully with our third-party investors;
- our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations;
- our increased dependency on technology;
- impacts related to our aging infrastructure;
- our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses;
- the success of our electric generation strategy;
- construction risks and supply risks;
- fluctuations in demand from residential and commercial customers;
- fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demand;
- our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations;
- our ability to manage new initiatives and organizational changes;
- the actions of activist stockholders;
- the performance and quality of third-party suppliers and service providers;
- potential cybersecurity attacks or security breaches;
- increased requirements and costs related to cybersecurity;
- any damage to our reputation;
- the impacts of natural disasters, potential terrorist attacks or other catastrophic events;
- the physical impacts of climate change and the transition to a lower carbon future;
- our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal (as defined below);
- our debt obligations;
- any changes to our credit rating or the credit rating of certain of our subsidiaries;
- adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment;
- economic regulation and the impact of regulatory rate reviews;
- our ability to obtain expected financial or regulatory outcomes;
- economic conditions in certain industries;
- the reliability of customers and suppliers to fulfill their payment and contractual obligations;
- the ability of our subsidiaries to generate cash;
- pension funding obligations;
- potential impairments of goodwill;
- the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation;

- compliance with changes in, or new interpretations of applicable laws, regulations and tariffs;
- the cost of compliance with environmental laws and regulations and the costs of associated liabilities;
- changes in tax laws or the interpretation thereof;
- and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this report, some of which risks are beyond our control.

In addition, the relative contributions to profitability by each business segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time.

All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events or changes to the future results over time or otherwise, except as required by law.

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## PART I

### ITEM 1. FINANCIAL STATEMENTS

#### NiSource Inc.

#### Condensed Statements of Consolidated Income (unaudited)

|                                                           | Three Months Ended<br>March 31, |                |
|-----------------------------------------------------------|---------------------------------|----------------|
|                                                           | 2024                            | 2023           |
| <i>(in millions, except per share amounts)</i>            |                                 |                |
| <b>Operating Revenues</b>                                 |                                 |                |
| Customer revenues                                         | \$ 1,643.0                      | \$ 1,896.1     |
| Other revenues                                            | 63.3                            | 69.9           |
| <b>Total Operating Revenues</b>                           | <b>1,706.3</b>                  | <b>1,966.0</b> |
| <b>Operating Expenses</b>                                 |                                 |                |
| Cost of energy                                            | 425.0                           | 765.1          |
| Operation and maintenance                                 | 378.4                           | 391.2          |
| Depreciation and amortization                             | 242.1                           | 206.9          |
| Other taxes                                               | 77.4                            | 71.8           |
| <b>Total Operating Expenses</b>                           | <b>1,122.9</b>                  | <b>1,435.0</b> |
| <b>Operating Income</b>                                   | <b>583.4</b>                    | <b>531.0</b>   |
| <b>Other Income (Deductions)</b>                          |                                 |                |
| Interest expense, net                                     | (116.3)                         | (108.9)        |
| Other, net                                                | 9.2                             | 1.5            |
| <b>Total Other Deductions, Net</b>                        | <b>(107.1)</b>                  | <b>(107.4)</b> |
| <b>Income before Income Taxes</b>                         | <b>476.3</b>                    | <b>423.6</b>   |
| <b>Income Taxes</b>                                       | <b>76.0</b>                     | <b>85.8</b>    |
| <b>Net Income</b>                                         | <b>400.3</b>                    | <b>337.8</b>   |
| Net income (loss) attributable to noncontrolling interest | 35.3                            | 4.8            |
| <b>Net Income Attributable to NiSource</b>                | <b>365.0</b>                    | <b>333.0</b>   |
| Preferred dividends                                       | (6.7)                           | (13.8)         |
| Preferred redemption premium                              | (14.0)                          | —              |
| <b>Net Income Available to Common Shareholders</b>        | <b>344.3</b>                    | <b>319.2</b>   |
| <b>Earnings Per Share</b>                                 |                                 |                |
| Basic Earnings Per Share                                  | \$ 0.77                         | \$ 0.77        |
| Diluted Earnings Per Share                                | \$ 0.77                         | \$ 0.71        |
| <b>Basic Average Common Shares Outstanding</b>            | <b>447.9</b>                    | <b>412.8</b>   |
| <b>Diluted Average Common Shares</b>                      | <b>449.4</b>                    | <b>447.1</b>   |

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Condensed Statements of Consolidated Comprehensive Income (unaudited)

| <i>(in millions, net of taxes)</i>                                       | Three Months Ended<br>March 31, |                 |
|--------------------------------------------------------------------------|---------------------------------|-----------------|
|                                                                          | 2024                            | 2023            |
| Net Income                                                               | \$ 400.3                        | \$ 337.8        |
| Other comprehensive income:                                              |                                 |                 |
| Net unrealized loss on available-for-sale debt securities <sup>(1)</sup> | (0.3)                           | 2.0             |
| Reclassification adjustment for cash flow hedges <sup>(2)</sup>          | (0.1)                           | 0.1             |
| Unrecognized pension and OPEB benefit (costs) <sup>(3)</sup>             | 0.2                             | 0.3             |
| Total other comprehensive income (loss)                                  | (0.2)                           | 2.4             |
| <b>Comprehensive Income</b>                                              | <b>\$ 400.1</b>                 | <b>\$ 340.2</b> |

<sup>(1)</sup>Net unrealized loss on available-for-sale debt securities, net of \$0.1 million tax benefit and \$0.5 million tax expense in the first quarter of 2024 and 2023, respectively.

<sup>(2)</sup>Reclassification adjustment for cash flow hedges, net of \$0.0 million tax benefit and \$0.1 million tax benefit in the first quarter of 2024 and 2023, respectively.

<sup>(3)</sup>Unrecognized pension and OPEB benefit (costs), net of \$0.1 million of tax expense and \$0.1 million tax expense in the first quarter of 2024 and 2023, respectively.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

**ITEM 1. FINANCIAL STATEMENTS (continued)**
**NiSource Inc.  
Condensed Consolidated Balance Sheets (unaudited)**

| <i>(in millions)</i>                                                                                                                     | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|
| <b>ASSETS</b>                                                                                                                            |                           |                              |
| <b>Property, Plant and Equipment</b>                                                                                                     |                           |                              |
| Plant                                                                                                                                    | \$ 31,300.6               | \$ 30,482.1                  |
| Accumulated depreciation and amortization                                                                                                | (8,354.5)                 | (8,207.2)                    |
| Net Property, Plant and Equipment <sup>(1)</sup>                                                                                         | 22,946.1                  | 22,274.9                     |
| <b>Investments and Other Assets</b>                                                                                                      |                           |                              |
| Unconsolidated affiliates                                                                                                                | 5.4                       | 5.3                          |
| Available-for-sale debt securities (amortized cost of \$160.2 and \$169.0, allowance for credit losses of \$0.4 and \$0.6, respectively) | 150.1                     | 159.1                        |
| Other investments                                                                                                                        | 86.8                      | 82.7                         |
| Total Investments and Other Assets                                                                                                       | 242.3                     | 247.1                        |
| <b>Current Assets</b>                                                                                                                    |                           |                              |
| Cash and cash equivalents                                                                                                                | 102.2                     | 2,245.4                      |
| Restricted cash                                                                                                                          | 38.3                      | 35.7                         |
| Accounts receivable                                                                                                                      | 877.2                     | 884.9                        |
| Allowance for credit losses                                                                                                              | (31.6)                    | (22.9)                       |
| Accounts receivable, net                                                                                                                 | 845.6                     | 862.0                        |
| Gas storage                                                                                                                              | 70.1                      | 265.8                        |
| Materials and supplies, at average cost                                                                                                  | 187.2                     | 172.1                        |
| Electric production fuel, at average cost                                                                                                | 66.3                      | 65.3                         |
| Exchange gas receivable                                                                                                                  | 43.2                      | 66.0                         |
| Regulatory assets                                                                                                                        | 260.4                     | 214.3                        |
| Deposits to renewable generation asset developer                                                                                         | 285.8                     | 454.2                        |
| Prepayments and other                                                                                                                    | 161.1                     | 118.6                        |
| Total Current Assets <sup>(1)</sup>                                                                                                      | 2,060.2                   | 4,499.4                      |
| <b>Other Assets</b>                                                                                                                      |                           |                              |
| Regulatory assets                                                                                                                        | 2,231.7                   | 2,245.9                      |
| Goodwill                                                                                                                                 | 1,485.9                   | 1,485.9                      |
| Deferred charges and other                                                                                                               | 371.9                     | 324.0                        |
| Total Other Assets                                                                                                                       | 4,089.5                   | 4,055.8                      |
| <b>Total Assets</b>                                                                                                                      | <b>\$ 29,338.1</b>        | <b>\$ 31,077.2</b>           |

<sup>(1)</sup>Includes \$1,358.2 million and \$1,369.8 million at March 31, 2024 and December 31, 2023, respectively, of net property, plant and equipment assets and \$60.8 million and \$63.6 million at March 31, 2024 and December 31, 2023, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Note 4, "Noncontrolling Interests," for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

**ITEM 1. FINANCIAL STATEMENTS (continued)**
**NiSource Inc.  
Condensed Consolidated Balance Sheets (unaudited) (continued)**

| <i>(in millions, except share amounts)</i>                                                                                   | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|
| <b>CAPITALIZATION AND LIABILITIES</b>                                                                                        |                           |                              |
| <b>Capitalization</b>                                                                                                        |                           |                              |
| Stockholders' Equity                                                                                                         |                           |                              |
| Common stock - \$0.01 par value, 750,000,000 shares authorized; 448,197,604 and 447,381,671 shares outstanding, respectively | \$ 4.5                    | \$ 4.5                       |
| Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 0 and 40,000 shares outstanding, respectively              | —                         | 486.1                        |
| Treasury stock                                                                                                               | (99.9)                    | (99.9)                       |
| Additional paid-in capital                                                                                                   | 8,886.8                   | 8,879.5                      |
| Retained deficit                                                                                                             | (861.7)                   | (967.0)                      |
| Accumulated other comprehensive loss                                                                                         | (33.8)                    | (33.6)                       |
| Total NiSource Stockholders' Equity                                                                                          | 7,895.9                   | 8,269.6                      |
| Noncontrolling interest in consolidated subsidiaries                                                                         | 1,899.0                   | 1,866.7                      |
| Total Stockholders' Equity                                                                                                   | 9,794.9                   | 10,136.3                     |
| Long-term debt, excluding amounts due within one year                                                                        | 11,724.6                  | 11,055.5                     |
| Total Capitalization                                                                                                         | 21,519.5                  | 21,191.8                     |
| <b>Current Liabilities</b>                                                                                                   |                           |                              |
| Current portion of long-term debt                                                                                            | 24.0                      | 23.8                         |
| Short-term borrowings                                                                                                        | 1,222.3                   | 3,048.6                      |
| Accounts payable                                                                                                             | 612.5                     | 749.4                        |
| Dividends payable - common stock                                                                                             | 119.0                     | —                            |
| Customer deposits and credits                                                                                                | 189.5                     | 294.4                        |
| Taxes accrued                                                                                                                | 169.5                     | 166.2                        |
| Interest accrued                                                                                                             | 148.6                     | 136.1                        |
| Exchange gas payable                                                                                                         | 17.1                      | 50.5                         |
| Regulatory liabilities                                                                                                       | 237.6                     | 278.6                        |
| Asset retirement obligations                                                                                                 | 78.0                      | 72.5                         |
| Accrued compensation and employee benefits                                                                                   | 136.0                     | 227.6                        |
| Other accruals                                                                                                               | 170.9                     | 217.4                        |
| Total Current Liabilities <sup>(1)</sup>                                                                                     | 3,125.0                   | 5,265.1                      |
| <b>Other Liabilities</b>                                                                                                     |                           |                              |
| Deferred income taxes                                                                                                        | 2,159.5                   | 2,080.4                      |
| Accrued liability for postretirement and postemployment benefits                                                             | 244.8                     | 250.1                        |
| Regulatory liabilities                                                                                                       | 1,482.0                   | 1,510.7                      |
| Asset retirement obligations                                                                                                 | 509.6                     | 480.5                        |
| Other noncurrent liabilities and deferred credits                                                                            | 297.7                     | 298.6                        |
| Total Other Liabilities <sup>(1)</sup>                                                                                       | 4,693.6                   | 4,620.3                      |
| <b>Commitments and Contingencies (Refer to Note 15, "Other Commitments and Contingencies")</b>                               |                           |                              |
| <b>Total Capitalization and Liabilities</b>                                                                                  | <b>\$ 29,338.1</b>        | <b>\$ 31,077.2</b>           |

<sup>(1)</sup>Includes \$60.9 million and \$68.3 million at March 31, 2024 and December 31, 2023, respectively, of current liabilities and \$56.3 million and \$55.7 million at March 31, 2024 and December 31, 2023, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 4, "Noncontrolling Interests," for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Condensed Statements of Consolidated Cash Flows (unaudited)

| Three Months Ended March 31, (in millions)                                 | 2024             | 2023            |
|----------------------------------------------------------------------------|------------------|-----------------|
| <b>Operating Activities</b>                                                |                  |                 |
| Net Income                                                                 | \$ 400.3         | \$ 337.8        |
| Adjustments to Reconcile Net Income to Net Cash from Operating Activities: |                  |                 |
| Depreciation and amortization                                              | 242.1            | 206.9           |
| Deferred income taxes and investment tax credits                           | 61.6             | 75.5            |
| Payments for asset retirement obligations                                  | (12.0)           | (5.5)           |
| Other adjustments                                                          | 7.8              | 1.1             |
| Changes in Assets and Liabilities:                                         |                  |                 |
| Components of working capital                                              | (235.2)          | 71.1            |
| Regulatory assets/liabilities                                              | 18.4             | 11.0            |
| Deferred charges and other noncurrent assets                               | (18.0)           | (12.0)          |
| Other noncurrent liabilities and deferred credits                          | (8.8)            | (2.5)           |
| <b>Net Cash Flows from Operating Activities</b>                            | <b>456.2</b>     | <b>683.4</b>    |
| <b>Investing Activities</b>                                                |                  |                 |
| Capital expenditures                                                       | (589.5)          | (557.1)         |
| Milestone payments to renewable generation asset developer                 | (110.6)          | (137.3)         |
| Other investing activities                                                 | (22.9)           | (33.4)          |
| <b>Net Cash Flows used for Investing Activities</b>                        | <b>(723.0)</b>   | <b>(727.8)</b>  |
| <b>Financing Activities</b>                                                |                  |                 |
| Proceeds from issuance of long-term debt                                   | 644.4            | 744.2           |
| Repayments of finance lease obligations                                    | (7.2)            | (8.1)           |
| Repayment of short term credit agreements                                  | (1,650.0)        | —               |
| Net change in commercial paper and other short-term borrowings             | (176.3)          | (480.4)         |
| Issuance of common stock, net of issuance costs                            | 2.7              | 3.0             |
| Redemption of preferred stock                                              | (486.1)          | —               |
| Preferred stock redemption premium                                         | (14.0)           | —               |
| Equity costs, premiums and other debt related costs                        | (57.6)           | (11.8)          |
| Contributions from noncontrolling interests                                | —                | 3.6             |
| Distributions to noncontrolling interests                                  | (3.0)            | (5.3)           |
| Dividends paid - common stock                                              | (118.6)          | (103.2)         |
| Dividends paid - preferred stock                                           | (8.1)            | (8.1)           |
| Contract liability payment                                                 | —                | (16.6)          |
| <b>Net Cash Flows from Financing Activities</b>                            | <b>(1,873.8)</b> | <b>117.3</b>    |
| Change in cash, cash equivalents and restricted cash                       | (2,140.6)        | 72.9            |
| Cash, cash equivalents and restricted cash at beginning of period          | 2,281.1          | 75.4            |
| <b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>         | <b>\$ 140.5</b>  | <b>\$ 148.3</b> |

### Reconciliation to Balance Sheet

| Three Months Ended March 31, (in millions)              | 2024         |
|---------------------------------------------------------|--------------|
| Cash and cash equivalents                               | 102.2        |
| Restricted Cash                                         | 38.3         |
| <b>Total Cash, Cash Equivalents and Restricted Cash</b> | <b>140.5</b> |

### Supplemental Disclosures of Cash Flow Information

| Three Months Ended March 31, (in millions)           | 2024     | 2023     |
|------------------------------------------------------|----------|----------|
| <b>Non-cash transactions:</b>                        |          |          |
| Capital expenditures included in current liabilities | \$ 239.7 | \$ 261.1 |
| Dividends declared but not paid                      | 119.0    | 122.8    |

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

## ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

## Condensed Statements of Consolidated Equity (unaudited)

| <i>(in millions)</i>                                | Common<br>Stock | Preferred<br>Stock | Treasury<br>Stock | Additional<br>Paid-In<br>Capital | Retained<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Noncontrolling<br>Interest in<br>Consolidated<br>Subsidiaries | Total       |
|-----------------------------------------------------|-----------------|--------------------|-------------------|----------------------------------|---------------------|-----------------------------------------------|---------------------------------------------------------------|-------------|
| <b>Balance as of January 1, 2024</b>                | \$ 4.5          | \$ 486.1           | \$ (99.9)         | \$ 8,879.5                       | \$ (967.0)          | \$ (33.6)                                     | \$ 1,866.7                                                    | \$ 10,136.3 |
| Comprehensive Income:                               |                 |                    |                   |                                  |                     |                                               |                                                               |             |
| Net income                                          | —               | —                  | —                 | —                                | 365.0               | —                                             | 35.3                                                          | 400.3       |
| Other comprehensive loss, net of tax                | —               | —                  | —                 | —                                | —                   | (0.2)                                         | —                                                             | (0.2)       |
| Dividends:                                          |                 |                    |                   |                                  |                     |                                               |                                                               |             |
| Common stock (\$0.53 per share)                     | —               | —                  | —                 | —                                | (237.6)             | —                                             | —                                                             | (237.6)     |
| Preferred stock (See Note 6)                        | —               | —                  | —                 | —                                | (8.1)               | —                                             | —                                                             | (8.1)       |
| Noncontrolling Interests:                           |                 |                    |                   |                                  |                     |                                               |                                                               |             |
| Distributions to noncontrolling interests           | —               | —                  | —                 | —                                | —                   | —                                             | (3.0)                                                         | (3.0)       |
| Stock issuances (redemptions):                      |                 |                    |                   |                                  |                     |                                               |                                                               |             |
| Series B and B-1 Preferred Stock Redemption         | —               | (486.1)            | —                 | —                                | —                   | —                                             | —                                                             | (486.1)     |
| Series B and B-1 Preferred stock redemption premium | —               | —                  | —                 | —                                | (14.0)              | —                                             | —                                                             | (14.0)      |
| Employee stock purchase plan                        | —               | —                  | —                 | 1.4                              | —                   | —                                             | —                                                             | 1.4         |
| Long-term incentive plan                            | —               | —                  | —                 | 3.3                              | —                   | —                                             | —                                                             | 3.3         |
| 401(k) and profit sharing                           | —               | —                  | —                 | 2.6                              | —                   | —                                             | —                                                             | 2.6         |
| <b>Balance as of March 31, 2024</b>                 | \$ 4.5          | \$ —               | \$ (99.9)         | \$ 8,886.8                       | \$ (861.7)          | \$ (33.8)                                     | \$ 1,899.0                                                    | \$ 9,794.9  |

| <i>(in millions)</i>                       | Common<br>Stock | Preferred<br>Stock | Treasury<br>Stock | Additional<br>Paid-In<br>Capital | Retained<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Noncontrolling<br>Interest in<br>Consolidated<br>Subsidiaries | Total      |
|--------------------------------------------|-----------------|--------------------|-------------------|----------------------------------|---------------------|-----------------------------------------------|---------------------------------------------------------------|------------|
| <b>Balance as of January 1, 2023</b>       | \$ 4.2          | \$ 1,546.5         | \$ (99.9)         | \$ 7,375.3                       | \$ (1,213.6)        | \$ (37.1)                                     | \$ 326.4                                                      | \$ 7,901.8 |
| Comprehensive Income:                      |                 |                    |                   |                                  |                     |                                               |                                                               |            |
| Net income                                 | —               | —                  | —                 | —                                | 333.0               | —                                             | 4.8                                                           | 337.8      |
| Other comprehensive income, net of tax     | —               | —                  | —                 | —                                | —                   | 2.4                                           | —                                                             | 2.4        |
| Dividends:                                 |                 |                    |                   |                                  |                     |                                               |                                                               |            |
| Common stock (\$0.50 per share)            | —               | —                  | —                 | —                                | (206.7)             | —                                             | —                                                             | (206.7)    |
| Preferred stock (See Note 6)               | —               | —                  | —                 | —                                | (27.5)              | —                                             | —                                                             | (27.5)     |
| Noncontrolling Interests:                  |                 |                    |                   |                                  |                     |                                               |                                                               |            |
| Contributions from noncontrolling interest | —               | —                  | —                 | —                                | —                   | —                                             | 3.6                                                           | 3.6        |
| Distributions to noncontrolling interest   | —               | —                  | —                 | —                                | —                   | —                                             | (5.3)                                                         | (5.3)      |
| Stock issuances:                           |                 |                    |                   |                                  |                     |                                               |                                                               |            |
| Employee stock purchase plan               | —               | —                  | —                 | 1.3                              | —                   | —                                             | —                                                             | 1.3        |
| Long-term incentive plan                   | —               | —                  | —                 | (6.3)                            | —                   | —                                             | —                                                             | (6.3)      |
| 401(k) and profit sharing                  | —               | —                  | —                 | 2.6                              | —                   | —                                             | —                                                             | 2.6        |
| <b>Balance as of March 31, 2023</b>        | \$ 4.2          | \$ 1,546.5         | \$ (99.9)         | \$ 7,372.9                       | \$ (1,114.8)        | \$ (34.7)                                     | \$ 329.5                                                      | \$ 8,003.7 |

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Condensed Statements of Consolidated Equity (unaudited) (continued)

| Shares (in thousands)                | Preferred | Common         |                |                |
|--------------------------------------|-----------|----------------|----------------|----------------|
|                                      | Shares    | Shares         | Treasury       | Outstanding    |
| <b>Balance as of January 1, 2024</b> | <b>40</b> | <b>451,345</b> | <b>(3,963)</b> | <b>447,382</b> |
| Issued (Redeemed):                   |           |                |                |                |
| Employee stock purchase plan         | —         | 53             | —              | 53             |
| Long-term incentive plan             | —         | 663            | —              | 663            |
| 401(k) and profit sharing            | —         | 100            | —              | 100            |
| Series B and B-1 Preferred Stock     | (40)      | —              | —              | —              |
| <b>Balance as of March 31, 2024</b>  | <b>—</b>  | <b>452,161</b> | <b>(3,963)</b> | <b>448,198</b> |

  

| Shares (in thousands)                | Preferred    | Common         |                |                |
|--------------------------------------|--------------|----------------|----------------|----------------|
|                                      | Shares       | Shares         | Treasury       | Outstanding    |
| <b>Balance as of January 1, 2023</b> | <b>1,303</b> | <b>416,106</b> | <b>(3,963)</b> | <b>412,143</b> |
| Issued:                              |              |                |                |                |
| Employee stock purchase plan         | —            | 48             | —              | 48             |
| Long-term incentive plan             | —            | 695            | —              | 695            |
| 401(k) and profit sharing            | —            | 97             | —              | 97             |
| <b>Balance as of March 31, 2023</b>  | <b>1,303</b> | <b>416,946</b> | <b>(3,963)</b> | <b>412,983</b> |

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSource Inc.****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)****1. Basis of Accounting Presentation**

Our accompanying Condensed Consolidated Financial Statements (unaudited) reflect all normal recurring adjustments that are necessary, in the opinion of management, to present fairly the results of operations in accordance with GAAP in the United States of America. The accompanying financial statements include the accounts of us, our majority-owned subsidiaries, and VIEs of which we are the primary beneficiary after the elimination of all intercompany accounts and transactions.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Income for interim periods may not be indicative of results for the calendar year due to weather variations and other factors.

The Condensed Consolidated Financial Statements (unaudited) have been prepared pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made in this Quarterly Report on Form 10-Q are adequate to make the information herein not misleading.

**2. Recent Accounting Pronouncements****Recently Issued Accounting Pronouncements**

In August 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-05, Business Combinations- Joint Venture Formations. This pronouncement codifies ASU 805-60 to provide guidance for the recognition and initial measurement of joint venture formations. This guidance requires that the initial assets contributed and liabilities assumed be recognized and measured at fair value, with additional disclosure requirements during the period a joint venture is formed. The pronouncement is effective for joint ventures formed on or after January 1, 2025. We will adopt and apply to any future joint ventures if entered.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This pronouncement enhances annual and interim disclosure requirements over reportable segments, primarily through enhanced disclosures about significant segment expenses that are regularly provided to or easily computed from information regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss. The pronouncement also allows for more than one measure of segment profit if the CODM uses more than one measure in assessing segment performance. The pronouncement is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impacts this ASU will have on our disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This pronouncement enhances required income tax disclosures. The pronouncement will require disclosure of specific categories and reconciling items included in the rate reconciliation, disaggregation between federal, state and local income taxes paid, and disclosure of income taxes paid by jurisdictions over a certain threshold. Additionally, the pronouncement eliminates certain required disclosures related to unrecognized tax benefits. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted, and is to be applied on a prospective basis with retrospective application permitted. We are currently evaluating the impacts this amendment will have on our income tax disclosures, but do not expect to early adopt.

**3. Revenue Recognition**

**Revenue Disaggregation and Reconciliation.** We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. As of January 1, 2024, we have changed our reportable segments from Gas Distributions Operations and Electric Operations to Columbia Operations and NIPSCO Operations. Our historical segment disclosures have been recast to be consistent with the current presentation. For additional information see Note 17, "Business Segment Information."

The Columbia Operations segment provides regulated natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, and Maryland. The NIPSCO Operations segment provides regulated gas and electric service in the northern part of Indiana.

The tables below reconcile revenue disaggregation by customer class to segment revenue, as well as to revenues reflected on the Condensed Statements of Consolidated Income (unaudited):

**ITEM 1. FINANCIAL STATEMENTS (continued)**
**NiSource Inc.**
**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

Three months ended March 31, 2024  
(in millions)

|                                               | Columbia Operations | NIPSCO Operations | Corporate and Other | Total             |
|-----------------------------------------------|---------------------|-------------------|---------------------|-------------------|
| <b>Gas Distribution</b>                       |                     |                   |                     |                   |
| Residential                                   | \$ 628.0            | \$ 212.1          | \$ —                | \$ 840.1          |
| Commercial                                    | 220.4               | 74.7              | —                   | 295.1             |
| Industrial                                    | 40.1                | 23.8              | —                   | 63.9              |
| Off-system                                    | 12.8                | —                 | —                   | 12.8              |
| Wholesale                                     | 0.8                 | —                 | —                   | 0.8               |
| Miscellaneous <sup>(1)</sup>                  | 8.2                 | 7.9               | —                   | 16.1              |
| <b>Subtotal</b>                               | <b>\$ 910.3</b>     | <b>\$ 318.5</b>   | <b>\$ —</b>         | <b>\$ 1,228.8</b> |
| <b>Electric Generation and Power Delivery</b> |                     |                   |                     |                   |
| Residential                                   | \$ —                | \$ 143.8          | \$ —                | \$ 143.8          |
| Commercial                                    | —                   | 142.9             | —                   | 142.9             |
| Industrial                                    | —                   | 115.9             | —                   | 115.9             |
| Wholesale                                     | —                   | 6.3               | —                   | 6.3               |
| Public Authority                              | —                   | 2.1               | —                   | 2.1               |
| Miscellaneous <sup>(1)</sup>                  | —                   | 3.2               | —                   | 3.2               |
| <b>Subtotal</b>                               | <b>\$ —</b>         | <b>\$ 414.2</b>   | <b>\$ —</b>         | <b>\$ 414.2</b>   |
| <b>Total Customer Revenues<sup>(2)</sup></b>  | <b>910.3</b>        | <b>732.7</b>      | <b>—</b>            | <b>1,643.0</b>    |
| <b>Other Revenues<sup>(3)</sup></b>           | <b>43.4</b>         | <b>19.7</b>       | <b>0.2</b>          | <b>63.3</b>       |
| <b>Total Operating Revenues</b>               | <b>\$ 953.7</b>     | <b>\$ 752.4</b>   | <b>\$ 0.2</b>       | <b>\$ 1,706.3</b> |

<sup>(1)</sup>Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations are primarily related to revenue refunds, public repairs and property rentals. <sup>(2)</sup>Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

<sup>(3)</sup>Amounts included in Columbia Operations primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

Three months ended March 31, 2023  
(in millions)

|                                               | Columbia Operations | NIPSCO Operations | Corporate and Other | Total             |
|-----------------------------------------------|---------------------|-------------------|---------------------|-------------------|
| <b>Gas Distribution</b>                       |                     |                   |                     |                   |
| Residential                                   | \$ 684.6            | \$ 302.4          | \$ —                | \$ 987.0          |
| Commercial                                    | 248.0               | 112.6             | —                   | 360.6             |
| Industrial                                    | 40.4                | 31.5              | —                   | 71.9              |
| Off-system                                    | 17.2                | —                 | —                   | 17.2              |
| Wholesale                                     | 1.0                 | —                 | —                   | 1.0               |
| Miscellaneous <sup>(1)</sup>                  | 11.8                | 5.6               | —                   | 17.4              |
| <b>Subtotal</b>                               | <b>\$ 1,003.0</b>   | <b>\$ 452.1</b>   | <b>\$ —</b>         | <b>\$ 1,455.1</b> |
| <b>Electric Generation and Power Delivery</b> |                     |                   |                     |                   |
| Residential                                   | \$ —                | \$ 150.4          | \$ —                | \$ 150.4          |
| Commercial                                    | —                   | 150.9             | —                   | 150.9             |
| Industrial                                    | —                   | 134.2             | —                   | 134.2             |
| Wholesale                                     | —                   | 2.6               | —                   | 2.6               |
| Public Authority                              | —                   | 2.1               | —                   | 2.1               |
| Miscellaneous <sup>(1)</sup>                  | —                   | 0.8               | —                   | 0.8               |
| <b>Subtotal</b>                               | <b>\$ —</b>         | <b>\$ 441.0</b>   | <b>\$ —</b>         | <b>\$ 441.0</b>   |
| <b>Total Customer Revenues<sup>(2)</sup></b>  | <b>1,003.0</b>      | <b>893.1</b>      | <b>—</b>            | <b>1,896.1</b>    |
| <b>Other Revenues<sup>(3)</sup></b>           | <b>45.9</b>         | <b>23.8</b>       | <b>0.2</b>          | <b>69.9</b>       |
| <b>Total Operating Revenues</b>               | <b>\$ 1,048.9</b>   | <b>\$ 916.9</b>   | <b>\$ 0.2</b>       | <b>\$ 1,966.0</b> |

<sup>(1)</sup>Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations, are primarily related to revenue refunds, public repairs and property rentals. <sup>(2)</sup>Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

<sup>(3)</sup>Amounts included in Columbia Operations are primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

ITEM 1. FINANCIAL STATEMENTS (continued)**NiSource Inc.****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

**Customer Accounts Receivable.** Accounts receivable on our Condensed Consolidated Balance Sheets (unaudited) includes both billed and unbilled amounts, as well as certain amounts that are not related to customer revenues. Unbilled amounts of accounts receivable relate to a portion of a customer's consumption of gas or electricity from the date of the last cycle billing through the last day of the month (balance sheet date). Factors taken into consideration when estimating unbilled revenue include historical usage, customer rates, and weather. A significant portion of our operations are subject to seasonal fluctuations in sales. During the heating season, primarily from November through March, revenues and receivables from gas sales are more significant than in other months. The opening and closing balances of customer receivables for the three months ended March 31, 2024 are presented in the table below. We had no significant contract assets or liabilities during the period. Additionally, we have not incurred any significant costs to obtain or fulfill contracts.

| <i>(in millions)</i>            | Customer Accounts<br>Receivable, Billed (less<br>reserve) | Customer Accounts<br>Receivable, Unbilled (less<br>reserve) |
|---------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|
| Balance as of December 31, 2023 | \$ 479.4                                                  | \$ 337.6                                                    |
| Balance as of March 31, 2024    | 552.1                                                     | 263.6                                                       |

Utility revenues are billed to customers monthly on a cycle basis. We expect that substantially all customer accounts receivable will be collected following customer billing, as this revenue consists primarily of periodic, tariff-based billings for service and usage. We maintain common utility credit risk mitigation practices, including requiring deposits and actively pursuing collection of past due amounts. Our regulated operations also utilize certain regulatory mechanisms that facilitate recovery of bad debt costs within tariff-based rates, which provides further evidence of collectibility. It is probable that substantially all of the consideration to which we are entitled from customers will be collected upon satisfaction of performance obligations.

**Allowance for Credit Losses.** To evaluate for expected credit losses, customer account receivables are pooled based on similar risk characteristics, such as customer type, geography, payment terms, and related macro-economic risks. Expected credit losses are established using a model that considers historical collections experience, current information, and reasonable and supportable forecasts. Internal and external inputs are used in our credit model including, but not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-offs, customer delinquencies, final bill data, and inflation. We continuously evaluate available information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or following changes in facts and circumstances. When we become aware of a specific commercial or industrial customer's inability to pay, an allowance for expected credit losses is recorded for the relevant amount. We also monitor other circumstances that could affect our overall expected credit losses including, but not limited to, creditworthiness of overall population in service territories, adverse conditions impacting an industry sector, and current economic conditions.

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

At each reporting period, we record expected credit losses to an allowance for credit losses account. When deemed to be uncollectible, customer accounts are written-off. A rollforward of our allowance for credit losses as of March 31, 2024 and December 31, 2023 are presented in the table below:

| <i>(in millions)</i>                         | Columbia Operations | NIPSCO Operations | Corporate and Other | Total   |
|----------------------------------------------|---------------------|-------------------|---------------------|---------|
| <b>Balance as of January 1, 2024</b>         | \$ 10.2             | \$ 11.9           | \$ 0.8              | \$ 22.9 |
| Current period provisions                    | 11.0                | 3.6               | —                   | 14.6    |
| Write-offs charged against allowance         | (7.3)               | (2.1)             | (0.8)               | (10.2)  |
| Recoveries of amounts previously written off | 4.1                 | 0.2               | —                   | 4.3     |
| <b>Balance as of March 31, 2024</b>          | \$ 18.0             | \$ 13.6           | \$ —                | \$ 31.6 |

| <i>(in millions)</i>                         | Columbia Operations | NIPSCO Operations | Corporate and Other | Total   |
|----------------------------------------------|---------------------|-------------------|---------------------|---------|
| <b>Balance as of January 1, 2023</b>         | \$ 11.1             | \$ 12.0           | \$ 0.8              | \$ 23.9 |
| Current period provisions                    | 28.3                | 11.5              | —                   | 39.8    |
| Write-offs charged against allowance         | (49.2)              | (12.4)            | —                   | (61.6)  |
| Recoveries of amounts previously written off | 20.0                | 0.8               | —                   | 20.8    |
| <b>Balance as of December 31, 2023</b>       | \$ 10.2             | \$ 11.9           | \$ 0.8              | \$ 22.9 |

#### 4. Noncontrolling Interests

**Variable Interest Entities.** A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO is a member of joint ventures that own and operate two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO is also a member of joint ventures that own two solar facilities, Indiana Crossroads Solar and Dunns Bridge I, which have a combined 465 MW of nameplate capacity. We have determined that these joint ventures are VIEs. We control decisions that are significant to these entities' ongoing operations and economic results. Therefore, we have concluded that NIPSCO is the primary beneficiary and have consolidated all four entities.

Members of each respective JV include NIPSCO (who is the managing member) and a tax equity partner. Earnings, tax attributes and cash flows are allocated to both NIPSCO and the tax equity partner in varying percentages by category and over the life of the partnership. NIPSCO and each tax equity partner contributed cash to each JV. Once the tax equity partner has earned their negotiated rate of return and have reached a stated contractual date, NIPSCO has the option to purchase the remaining interest in the respective JV, at fair market value from the tax equity partner. NIPSCO has an obligation to purchase 100% of the electricity generated by our commercially operational JVs.

We did not provide any financial or other support during the quarter that was not previously contractually required, nor do we expect to provide such support in the future.

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Our Condensed Consolidated Balance Sheets (unaudited) included the following assets and liabilities associated with VIEs.

| <i>(in millions)</i>                | March 31, 2024 | December 31, 2023 |
|-------------------------------------|----------------|-------------------|
| Net Property, Plant and Equipment   | \$ 1,358.2     | \$ 1,369.8        |
| Current assets                      | 60.8           | 63.6              |
| Total assets <sup>(1)</sup>         | 1,419.0        | 1,433.4           |
| Current liabilities                 | 60.9           | 68.3              |
| Asset retirement obligations        | 56.3           | 55.7              |
| Total liabilities <sup>(1)(2)</sup> | \$ 117.2       | \$ 124.0          |

<sup>(1)</sup>The assets of each VIE represent assets of a consolidated VIE that can be used only to settle obligations of the respective consolidated VIE. The creditors of the liabilities of the VIEs do not have recourse to the general credit of the primary beneficiary.

<sup>(2)</sup>In addition to the amounts disclosed above there is a de minimis amount of other noncurrent liabilities at Rosewater as of March 31, 2024.

**Voting Interest Entities.** In December 31, 2023, we consummated the NIPSCO Minority Interest Transaction for a capital contribution of \$2.16 billion in cash. The difference between the \$2.16 billion consideration received and the \$1.36 billion carrying value of the noncontrolling interest claim on net assets was recorded to additional paid-in capital, net of \$54.7 million in transaction costs and a \$63.5 million income tax benefit. We retain a controlling financial interest in NIPSCO Holdings II and its subsidiaries and consolidate their financial results. During Q1 2024, we paid the remaining transaction costs that were accrued as of December 31, 2023.

## 5. Earnings Per Share

The calculations of basic and diluted EPS are based on the weighted average number of shares of common stock and potential common stock outstanding during the period. For the three months ended March 31, 2024, the weighted-average shares outstanding for diluted EPS includes the incremental effects of the various long-term incentive compensation plans and an ATM forward agreement under the Treasury Stock Method when the impact would be dilutive (See Note 6, "Equity"). For the purposes of determining diluted EPS, for the three months ended March 31, 2023, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding using the if-converted method under US GAAP and we assumed share settlement of the remaining purchase contract payment balance from our Equity Units based on the average share price during the period. A numerator adjustment was reflected in the calculation of diluted EPS for interest expense incurred in the three months ended March 31, 2023, net of tax, related to the purchase contracts. The purchase contracts were settled on December 1, 2023.

We began using the two-class method of computing earnings per share in 2023 because we have participating securities in the form of non-vested restricted stock units with a non-forfeitable right to dividend equivalents, for which vesting is predicated solely on the passage of time. The calculation of earnings per share using the two-class method excludes income attributable to these participating securities from the numerator and excludes the dilutive impact of those shares from the denominator.

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The following table presents the calculation of our basic and diluted EPS:

| <i>(in millions, except per share amounts)</i>          | Three Months Ended<br>March 31, |          |
|---------------------------------------------------------|---------------------------------|----------|
|                                                         | 2024                            | 2023     |
| <b>Numerator:</b>                                       |                                 |          |
| Net Income Available to Common Shareholders             | \$ 344.3                        | \$ 319.2 |
| Less: Income allocated to participating securities      | 0.3                             | 0.2      |
| Net Income Available to Common Shareholders - Basic     | 344.0                           | 319.0    |
| Add: Dilutive effect of Equity Units                    | —                               | 0.4      |
| Net Income Available to Common Shareholders - Diluted   | \$ 344.0                        | \$ 319.4 |
| <b>Denominator:</b>                                     |                                 |          |
| Average common shares outstanding - Basic               | 447.9                           | 412.8    |
| Dilutive potential common shares:                       |                                 |          |
| Equity Units purchase contracts                         | —                               | 31.2     |
| Equity Units purchase contract payment balance          | —                               | 1.8      |
| Shares contingently issuable under employee stock plans | 0.9                             | 0.8      |
| Shares restricted under employee stock plans            | 0.4                             | 0.5      |
| ATM forward agreement                                   | 0.2                             | —        |
| Average Common Shares - Diluted                         | 449.4                           | 447.1    |
| <b>Earnings per common share:</b>                       |                                 |          |
| Basic                                                   | 0.77                            | 0.77     |
| Diluted                                                 | 0.77                            | 0.71     |

## 6. Equity

**ATM Program.** On February 22, 2024, we entered into eight separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$900.0 million of our common stock. On February 23, 2024, under the ATM program, we executed a forward sale agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. On February 23, 2024, the forward purchaser under our forward sale agreement borrowed 7,757,951 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of \$25.78 per share. We may settle the forward sale agreement in shares, cash or net shares by December 20, 2024. Had we settled all the shares under the forward sale agreement at March 31, 2024, we would have received approximately \$199.8 million, based on a net price of \$25.76 per share. As of March 31, 2024, the ATM program (inclusive of the forward sale agreement) had approximately \$700.0 million of equity available for issuance. The program expires on December 31, 2025.

**Preferred Stock.** Dividends declared per share for the Series A Preferred Stock were zero and \$28.25 during the three months ended March 31, 2024 and 2023, respectively. Dividends declared per share for the Series B Preferred Stock were \$406.25 and \$812.50 during the three months ended March 31, 2024 and 2023, respectively.

On June 15, 2023, we redeemed all 400,000 outstanding shares of Series A Preferred Stock for a redemption price of \$1,000 per share or \$400.0 million in total.

ITEM 1. FINANCIAL STATEMENTS (continued)**NiSource Inc.****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

**Series B and B-1 Preferred Stock.** On March 15, 2024, we redeemed all 20,000 outstanding shares of Series B Preferred Stock for a redemption price of \$25,000 per share and all 20,000 outstanding shares of Series B-1 Preferred Stock for a redemption price of \$0.01 per share or \$500.0 million in total. Following the redemption, dividends ceased to accrue on the shares of Series B Preferred Stock, shares of the Series B Preferred Stock and Series B-1 Preferred Stock were no longer deemed outstanding and all rights of the holders of such shares of Series B Preferred Stock and Series B-1 Preferred Stock terminated. In conjunction with the redemption, we recorded a \$14.0 million preferred stock redemption premium, calculated as the difference between the carrying value on the redemption date of the Series B Preferred Stock and Series B-1 Preferred Stock and the total amount of consideration paid to redeem, which was recorded as a reduction to retained earnings during the first quarter of 2024. We did not recognize an excise tax liability under the IRA in connection with this redemption as we expect to issue common stock under the ATM program in 2024 in excess of the fair value of the Series B Preferred Stock and Series B-1 Preferred Stock redeemed.

In March 2024, we filed a Certificate of Elimination to our Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware to eliminate from the Amended and Restated Certificate of Incorporation all matters set forth in the Certificate of Designations with respect to the Series B Preferred Stock and the Certificate of Designations with respect to the Series B-1 Preferred Stock. As a result, the 20,000 shares that were previously designated as Series B Preferred Stock and the 20,000 shares that were previously designated as Series B-1 Preferred Stock were returned to the status of authorized but unissued shares of preferred stock, par value \$0.01 per share, without designation as to series. The Certificate of Elimination does not change the total number of authorized shares of capital stock of NiSource or the total number of authorized shares of preferred stock. We voluntarily delisted the preferred stock from the New York Stock Exchange.

**Equity Units.** On December 1, 2023, we issued 33,898,837 shares of our common stock under the purchase contract component of the Corporate Units. As of December 1, 2023, each holder of Corporate Units was deemed to have automatically delivered to us the related Series C Mandatory Convertible Preferred Stock that were components of the Corporate Units in full satisfaction of such holder's obligations under the related purchase contract, and all shares of Series C Mandatory Convertible Preferred Stock were returned to the status of authorized but unissued preferred stock, par value of \$0.01 per share, without designation as to series. We voluntarily delisted the Corporate Units from the New York Stock Exchange.

Refer to Note 5, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS during 2023.

**7. Short-Term Borrowings**

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreements. Each of these borrowing sources is described further below.

**Revolving Credit Facility.** We maintain a revolving credit facility to fund ongoing working capital requirements, including the provision of liquidity support for our commercial paper program, provide for issuance of letters of credit and also for general corporate purposes. Our revolving credit facility has a program limit of \$1.85 billion and is comprised of a syndicate of banks. We had no outstanding borrowings under this facility as of March 31, 2024 and December 31, 2023.

**Commercial Paper Program.** On February 9, 2024 we increased our commercial paper program limit from \$1.50 billion to \$1.85 billion. We had \$1,222.3 million and \$1,061.0 million of commercial paper outstanding with weighted-average interest rates of 5.58% and 5.65% as of March 31, 2024 and December 31, 2023, respectively.

**Accounts Receivable Transfer Programs.** Columbia of Ohio, NIPSCO, and Columbia of Pennsylvania each maintain a receivables agreement whereby they transfer their customer accounts receivables to third-party financial institutions through consolidated special purpose entities. The three agreements expire between June 2024 and October 2024 and may be further extended if mutually agreed to by the parties thereto.

All receivables transferred to third parties are valued at face value, which approximates fair value due to their short-term nature. The amount of the undivided percentage ownership interest in the accounts receivables transferred is determined in part by required loss reserves under the agreements.

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited). As of March 31, 2024, the maximum amount of debt that could be borrowed related to our accounts receivable programs was \$419.8 million.

**ITEM 1. FINANCIAL STATEMENTS (continued)**

**NiSource Inc.**

**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

We had zero and \$337.6 million of short-term borrowings related to the securitization transactions as of March 31, 2024 and December 31, 2023, respectively.

For the three months ended March 31, 2024 and 2023, \$337.6 million and \$65.4 million, respectively were recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. For the accounts receivable transfer programs, we pay used facility fees for amounts borrowed, unused commitment fees for amounts not borrowed, and upfront renewal fees. Fees associated with the securitization transactions were \$0.5 million and \$0.9 million for the three months ended March 31, 2024 and 2023, respectively. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania remain responsible for collecting on the receivables securitized, and the receivables cannot be transferred to another party.

**Term Credit Agreements.** At December 31, 2023, we had \$1.0 billion, and \$650.0 million outstanding under term credit agreements with interest rates of 6.41% and 6.50%, respectively. On January 3, 2024, we terminated and repaid in full our \$1.0 billion term credit agreement and our \$650.0 million term credit agreement with proceeds from the NIPSCO Minority Interest Transaction.

Items listed above, excluding the term credit agreements, are presented net in the Condensed Statements of Consolidated Cash Flows (unaudited) as their maturities are less than 90 days.

**8. Long-Term Debt**

On March 14, 2024 we completed the issuance and sale of \$650.0 million of 5.35% senior unsecured notes maturing in 2034, which resulted in approximately \$642.6 million of net proceeds after discount and debt issuance costs.

**9. Gas in Storage**

We use both the LIFO inventory methodology and the weighted-average cost methodology to value natural gas in storage. Natural gas storage injections are priced at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference in the cost of replacing the current portion of stored gas inventory compared to the amount stated on a LIFO basis is recorded within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, we expect interim variances in LIFO layers to be replenished by year end. The LIFO basis exceeded the cost of replacing the current portion of stored gas by \$27.5 million and zero respectively, for the periods ended March 31, 2024 and December 31, 2023, for certain gas distribution companies recorded within "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).

**10. Regulatory Matters**

Renewable generation filings

In March 2024, NIPSCO filed a petition with the IURC to, after notice and hearing, issue an order modifying its November 22, 2023 order to approve direct ownership of the Gibson Project. The hearing is scheduled for June 2024 with a final order expected August 2024. In March 2024, NIPSCO also filed a petition with the IURC to, after notice and hearing, issue an order modifying its June 29, 2021 order to approve direct ownership of the Fairbanks Project. The hearing is scheduled for July 2024 with a final order expected September of 2024.

WAM system filing

In March 2024, NIPSCO filed a petition with the IURC for authority to defer, as a regulatory asset, certain costs, including depreciation and amortization incurred in connection with improvements to its information technology systems through the design, development, and implementation of a new WAM program for the scheduling, dispatch, and execution of work and the management of underlying assets. These improvements are part of our enterprise-wide transformation roadmap which seeks to optimize our field work. The petition also included the confirmation that the WAM program assets, including the requested regulatory assets, will be included in NIPSCO's rate base for ratemaking purposes in rate cases after the WAM assets have been placed in service. The hearing is scheduled for July 2024 with a final order expected in August 2024.

Regulatory deferral related to renewable energy investments

In accordance with the accounting principles of ASC 980, we recognize a regulatory liability or asset for amounts representing the timing difference between the profit earned from the JVs and the amount included in regulated rates to recover our approved investments in consolidated JVs. The amounts recorded in income will ultimately reflect the amount allowed in regulated rates to recover our investments over the useful life of the projects. The offset to the regulatory liability or asset associated with our renewable investments included in regulated rates is recorded in "Depreciation and amortization" on the Condensed Statements

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

of Consolidated Income (unaudited). NiSource recorded an increase to depreciation expense of \$3.5 million and a decrease to depreciation expense of \$4.4 million for the three months ended March 31, 2024 and 2023, respectively. Following the implementation of the electric base rate case, we began recognizing amounts to recover our investments of projects that have been placed in service. Refer to Note 4, "Noncontrolling Interests," for additional information.

## 11. Risk Management Activities

We are exposed to certain risks relating to our ongoing business operations; namely commodity price risk and interest rate risk. We recognize that the prudent and selective use of derivatives may help to lower our cost of debt capital, manage our interest rate exposure and limit volatility in the price of natural gas.

Risk management assets and liabilities on our derivatives are presented on the Condensed Consolidated Balance Sheets (unaudited) as shown below:

|                                                   | March 31, 2024 |             | December 31, 2023 |             |
|---------------------------------------------------|----------------|-------------|-------------------|-------------|
| (in millions)                                     | Assets         | Liabilities | Assets            | Liabilities |
| Current <sup>(1)</sup>                            |                |             |                   |             |
| Derivatives not designated as hedging instruments | \$ 3.0         | \$ 11.6     | \$ 1.1            | \$ 7.5      |
| Total                                             | \$ 3.0         | \$ 11.6     | \$ 1.1            | \$ 7.5      |
| Noncurrent <sup>(2)</sup>                         |                |             |                   |             |
| Derivatives not designated as hedging instruments | \$ 20.2        | \$ 1.9      | \$ 22.2           | \$ 1.9      |
| Total                                             | \$ 20.2        | \$ 1.9      | \$ 22.2           | \$ 1.9      |

<sup>(1)</sup>Current assets and liabilities are presented in "Prepayments and other" and "Other accruals", respectively, on the Condensed Consolidated Balance Sheets (unaudited).

<sup>(2)</sup>Noncurrent assets and liabilities are presented in "Deferred charges and other" and "Other noncurrent liabilities and deferred credits", respectively, on the Condensed Consolidated Balance Sheets (unaudited).

Our derivative instruments are subject to enforceable master netting arrangements or similar agreements. No collateral was either received or posted related to our outstanding derivative positions at March 31, 2024. If the above gross asset and liability positions were presented net of amounts owed or receivable from counterparties, we would report a net asset position of \$9.7 million and \$13.9 million at March 31, 2024 and December 31, 2023, respectively.

All gains and losses on derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's and Columbia of Pennsylvania's quarterly GCA mechanisms.

### Derivatives Not Designated as Hedging Instruments

**Commodity price risk management.** We, along with our utility customers, are exposed to variability in cash flows associated with natural gas purchases and volatility in natural gas prices. We purchase natural gas for sale and delivery to our retail, commercial and industrial customers, and for most customers the variability in the market price of gas is passed through in their rates. Some of our utility subsidiaries offer programs whereby variability in the market price of gas is assumed by the respective utility. The objective of our commodity price risk programs is to mitigate the gas cost variability on behalf of our customers, associated with natural gas purchases or sales by economically hedging the various gas cost components using a combination of futures, options, forwards or other derivative contracts. At March 31, 2024 and December 31, 2023, we had 86.0 MMDth and 76.1 MMDth, respectively, of net energy derivative volumes outstanding related to our natural gas hedges.

NIPSCO has received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments and is limited to 20% of NIPSCO's average annual GCA purchase volume. As of March 31, 2024, the remaining terms of these instruments range from one to three years. Likewise, Columbia of Pennsylvania has received approval for a 24-month rolling hedge program. The hedging program was executed in December 2023, with an effective date of April 1, 2024 and will continue in perpetuity. The program is designed to financially hedge approximately 20% of the customer's annual demand. All gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through the relevant cost recovery mechanism.

## ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

## Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The following table summarizes the gains and losses associated with the commodity price risk programs deferred as regulatory assets and liabilities:

| <i>(in millions)</i>                    | March 31, 2024 | December 31, 2023 |
|-----------------------------------------|----------------|-------------------|
| <b>Regulatory Assets</b>                |                |                   |
| Losses on commodity price risk programs | \$ 20.1        | \$ 24.4           |
| <b>Regulatory Liabilities</b>           |                |                   |
| Gains on commodity price risk programs  | 23.3           | 23.3              |

Our derivative instruments measured at fair value as of March 31, 2024 and December 31, 2023 do not contain any credit-risk-related contingent features.

Derivatives Designated as Hedging Instruments

**Interest rate risk management.** As of March 31, 2024 and December 31, 2023 we had no active interest rate swap positions. The overall net gain related to our multiple settled interest rate swaps is recorded in AOCI. We amortize the net gain over the life of the debt associated with these swaps as we recognize interest expense. These amounts are immaterial for the three months ended March 31, 2024 and 2023 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited). Amounts expected to be reclassified to earnings during the next twelve months are immaterial. See Note 16, "Accumulated Other Comprehensive Loss," for additional information.

## ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

## Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

## 12. Fair Value

## A. Fair Value Measurements

## Recurring Fair Value Measurements

The following tables present financial assets and liabilities measured and recorded at fair value on our Condensed Consolidated Balance Sheets (unaudited) on a recurring basis and their level within the fair value hierarchy as of March 31, 2024 and December 31, 2023:

| Recurring Fair Value Measurements<br>March 31, 2024 (in millions) | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Balance as of<br>March 31, 2024 |
|-------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|---------------------------------|
| <b>Assets</b>                                                     |                                                                            |                                                           |                                                    |                                 |
| Risk management assets                                            | \$ —                                                                       | \$ 23.2                                                   | \$ —                                               | \$ 23.2                         |
| Available-for-sale debt securities                                | —                                                                          | 150.1                                                     | —                                                  | 150.1                           |
| <b>Total</b>                                                      | <b>\$ —</b>                                                                | <b>\$ 173.3</b>                                           | <b>\$ —</b>                                        | <b>\$ 173.3</b>                 |
| <b>Liabilities</b>                                                |                                                                            |                                                           |                                                    |                                 |
| Risk management liabilities                                       | \$ —                                                                       | \$ 13.5                                                   | \$ —                                               | \$ 13.5                         |
| <b>Total</b>                                                      | <b>\$ —</b>                                                                | <b>\$ 13.5</b>                                            | <b>\$ —</b>                                        | <b>\$ 13.5</b>                  |

| Recurring Fair Value Measurements<br>December 31, 2023 (in millions) | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Balance as of<br>December 31, 2023 |
|----------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|------------------------------------|
| <b>Assets</b>                                                        |                                                                            |                                                           |                                                    |                                    |
| Risk management assets                                               | \$ —                                                                       | \$ 23.3                                                   | \$ —                                               | \$ 23.3                            |
| Available-for-sale debt securities                                   | —                                                                          | 159.1                                                     | —                                                  | 159.1                              |
| <b>Total</b>                                                         | <b>\$ —</b>                                                                | <b>\$ 182.4</b>                                           | <b>\$ —</b>                                        | <b>\$ 182.4</b>                    |
| <b>Liabilities</b>                                                   |                                                                            |                                                           |                                                    |                                    |
| Risk management liabilities                                          | \$ —                                                                       | \$ 9.4                                                    | \$ —                                               | \$ 9.4                             |
| <b>Total</b>                                                         | <b>\$ —</b>                                                                | <b>\$ 9.4</b>                                             | <b>\$ —</b>                                        | <b>\$ 9.4</b>                      |

**Risk Management Assets and Liabilities.** Risk management assets and liabilities include exchange-traded NYMEX futures and NYMEX options and non-exchange-based forward purchase contracts.

**Level 1-** When utilized, exchange-traded derivative contracts are based on unadjusted quoted prices in active markets and are classified within Level 1. These financial assets and liabilities are secured with cash on deposit with the exchange; therefore, nonperformance risk has not been incorporated into these valuations. These financial assets and liabilities are deemed to be cleared and settled daily by NYMEX as the related cash collateral is posted with the exchange. As a result of this exchange rule, NYMEX derivatives are considered to have no fair value at the balance sheet date for financial reporting purposes, and are presented in Level 1 net of posted cash; however, the derivatives remain outstanding and are subject to future commodity price fluctuations until they are settled in accordance with their contractual terms.

**Level 2-** Certain non-exchange-traded derivatives are valued using broker or over-the-counter, on-line exchanges. In such cases, these non-exchange-traded derivatives are classified within Level 2. Non-exchange-based derivative instruments include swaps, forwards, and options. In certain instances, these instruments may utilize models to measure fair value. We use a similar model to value similar instruments. Valuation models utilize various inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability and market-corroborated inputs, (i.e., inputs derived principally from or corroborated by observable market data by correlation or other means). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized within Level 2.

ITEM 1. FINANCIAL STATEMENTS (continued)**NiSource Inc.****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

*Level 3-* Certain derivatives trade in less active markets with a lower availability of pricing information and models may be utilized in the valuation. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized within Level 3.

Credit risk is considered in the fair value calculation of derivative instruments that are not exchange-traded. Credit exposures are adjusted to reflect collateral agreements that reduce exposures. As of March 31, 2024 and December 31, 2023, there were no material transfers between fair value hierarchies. Additionally, there were no changes in the method or significant assumptions used to estimate the fair value of our financial instruments.

NIPSCO and Columbia of Pennsylvania have entered into long-term forward natural gas purchase instruments to lock in a fixed price for natural gas customers. We value these contracts using a pricing model that incorporates market-based information when available, as these instruments trade less frequently and are classified within Level 2 of the fair value hierarchy. For additional information, see Note 11, "Risk Management Activities."

***Available-for-Sale Debt Securities.*** Available-for-sale debt securities are investments pledged as collateral for trust accounts related to our wholly owned insurance company. We value U.S. Treasury, corporate debt and mortgage-backed securities using a matrix pricing model that incorporates market-based information. These securities trade less frequently and are classified within Level 2.

Our available-for-sale debt securities impairments are recognized periodically using an allowance approach. At each reporting date, we utilize a quantitative and qualitative review process to assess the impairment of available-for-sale debt securities at the individual security level. For securities in a loss position, we evaluate our intent to sell or whether it is more-likely-than-not that we will be required to sell the security prior to the recovery of its amortized cost. If either criteria is met, the loss is recognized in earnings immediately, with the offsetting entry to the carrying value of the security. If both criteria are not met, we perform an analysis to determine whether the unrealized loss is related to credit factors. The analysis focuses on a variety of factors that include, but are not limited to, downgrade on ratings of the security, defaults in the current reporting period or projected defaults in the future, the security's yield spread over treasuries, and other relevant market data. If the unrealized loss is not related to credit factors, it is included in other comprehensive income. If the unrealized loss is related to credit factors, the loss is recognized as credit loss expense in earnings during the period, with an offsetting entry to the allowance for credit losses. The amount of the credit loss recorded to the allowance account is limited by the amount at which the security's fair value is less than its amortized cost basis. If certain amounts recorded in the allowance for credit losses are deemed uncollectible, the allowance on the uncollectible portion will be charged off, with an offsetting entry to the carrying value of the security. Subsequent improvements to the estimated credit losses of available-for-sale debt securities will be recognized immediately in earnings. As of March 31, 2024 and December 31, 2023, we have \$0.4 million and \$0.6 million, respectively, recorded as an allowance for credit losses on available-for-sale debt securities as a result of the analysis described above. Continuous credit monitoring and portfolio credit balancing mitigates our risk of credit losses on our available-for-sale debt securities.

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at March 31, 2024 and December 31, 2023 were:

|                                           | Amortized<br>Cost | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses <sup>(1)</sup> | Allowance for<br>Credit Losses | Fair<br>Value   |
|-------------------------------------------|-------------------|------------------------------|----------------------------------------------|--------------------------------|-----------------|
| March 31, 2024 <i>(in millions)</i>       |                   |                              |                                              |                                |                 |
| <b>Available-for-sale debt securities</b> |                   |                              |                                              |                                |                 |
| U.S. Treasury debt securities             | \$ 62.1           | \$ —                         | \$ (3.3)                                     | \$ —                           | \$ 58.8         |
| Corporate/Other debt securities           | 98.1              | 0.6                          | (7.0)                                        | (0.4)                          | 91.3            |
| <b>Total</b>                              | <b>\$ 160.2</b>   | <b>\$ 0.6</b>                | <b>\$ (10.3)</b>                             | <b>\$ (0.4)</b>                | <b>\$ 150.1</b> |
| December 31, 2023 <i>(in millions)</i>    |                   |                              |                                              |                                |                 |
| <b>Available-for-sale debt securities</b> |                   |                              |                                              |                                |                 |
| U.S. Treasury debt securities             | \$ 63.8           | \$ —                         | \$ (3.2)                                     | \$ —                           | \$ 60.6         |
| Corporate/Other debt securities           | 105.2             | 0.8                          | (6.9)                                        | (0.6)                          | 98.5            |
| <b>Total</b>                              | <b>\$ 169.0</b>   | <b>\$ 0.8</b>                | <b>\$ (10.1)</b>                             | <b>\$ (0.6)</b>                | <b>\$ 159.1</b> |

<sup>(1)</sup>Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is \$58.8 million and \$72.7 million, respectively, at March 31, 2024.

<sup>(2)</sup>Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is \$58.7 million and \$74.8 million, respectively, at December 31, 2023.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were \$0.4 million and immaterial for the three months ended March 31, 2024 and 2023, respectively.

#### Non-recurring Fair Value Measurements

We measure the fair value of certain assets, primarily goodwill, on a non-recurring basis, typically when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

**B. Other Fair Value Disclosures for Financial Instruments.** The carrying amount of cash and cash equivalents, restricted cash, notes receivable, customer deposits and short-term borrowings is a reasonable estimate of fair value due to their liquid or short-term nature. Our long-term borrowings are recorded at historical amounts.

The following method and assumptions were used to estimate the fair value of each class of financial instruments.

**Long-term Debt.** The fair value of outstanding long-term debt is estimated based on the quoted market prices for the same or similar securities. Certain premium costs associated with the early settlement of long-term debt are not taken into consideration in determining fair value. These fair value measurements are classified within Level 2 of the fair value hierarchy. As of March 31, 2024, there was no change in the method or significant assumptions used to estimate the fair value of long-term debt.

The carrying amount and estimated fair values of these financial instruments were as follows:

| <i>(in millions)</i>                       | Carrying<br>Amount as of<br>March 31, 2024 | Estimated Fair<br>Value as of<br>March 31, 2024 | Carrying<br>Amount as of<br>Dec. 31, 2023 | Estimated Fair<br>Value as of<br>Dec. 31, 2023 |
|--------------------------------------------|--------------------------------------------|-------------------------------------------------|-------------------------------------------|------------------------------------------------|
| Long-term debt (including current portion) | \$ 11,748.6                                | \$ 10,852.3                                     | \$ 11,079.3                               | \$ 10,370.9                                    |

# ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

## Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

### 13. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2024 and 2023 applied to year-to-date pretax income, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended March 31, 2024 and 2023 were 16.0% and 20.3%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to renewable partnership income, amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state flow through, and other permanent book-to-tax differences.

The decrease in the three month effective tax rate of 4.3% in 2024 compared to 2023 is primarily attributed to the lower renewable partnership income, jurisdictional mix of pre-tax book income, offset by lower amortization of excess deferred federal income tax liabilities.

As of March 31, 2024, there have been no material changes to our unrecognized tax benefits or possible changes that could reasonably be expected to occur during the next twelve months. See Note 15 to the Company's Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of these unrecognized tax benefits.

### 14. Pension and Other Postemployment Benefits

We provide defined contribution plans and noncontributory defined benefit retirement plans that cover certain of our employees. Benefits under the defined benefit retirement plans reflect the employees' compensation, years of service and age at retirement. Additionally, we provide health care and life insurance benefits for certain retired employees. The majority of employees may become eligible for these benefits if they reach retirement age while working for us. The expected cost of such benefits is accrued during the employees' years of service. We determined that, for certain rate-regulated subsidiaries, the future recovery of postretirement benefit costs is probable, and we record regulatory assets and liabilities for amounts that would otherwise have been recorded to expense or accumulated other comprehensive loss. Current rates of rate-regulated companies include postretirement benefit costs, including amortization of the regulatory assets and liabilities that arose prior to inclusion of these costs in rates. For most plans, cash contributions are remitted to grantor trusts.

For the three months ended March 31, 2024 and 2023, we contributed \$0.7 million and \$1.2 million, respectively to our pension plans and \$5.4 million and \$5.6 million, respectively to our OPEB plans.

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three months ended March 31, 2024 and 2023:

| Three Months Ended March 31, (in millions)                   | Pension Benefits |               | OPEB          |               |
|--------------------------------------------------------------|------------------|---------------|---------------|---------------|
|                                                              | 2024             | 2023          | 2024          | 2023          |
| <b>Components of Net Periodic Benefit Cost<sup>(1)</sup></b> |                  |               |               |               |
| Service cost                                                 | \$ 5.4           | \$ 5.1        | \$ 1.3        | \$ 1.3        |
| Interest cost                                                | 16.3             | 17.1          | 5.4           | 5.4           |
| Expected return on assets                                    | (23.8)           | (23.6)        | (4.0)         | (3.8)         |
| Amortization of prior service credit                         | —                | —             | (0.4)         | (0.5)         |
| Recognized actuarial loss                                    | 7.2              | 8.4           | 0.8           | 0.8           |
| <b>Total Net Periodic Benefit Cost</b>                       | <b>\$ 5.1</b>    | <b>\$ 7.0</b> | <b>\$ 3.1</b> | <b>\$ 3.2</b> |

<sup>(1)</sup>The service cost component and all non-service cost components of net periodic benefit (income) cost are presented in "Operation and maintenance" and "Other, net," respectively, on the Condensed Statements of Consolidated Income (unaudited).

### 15. Other Commitments and Contingencies

**A. Guarantees and Indemnities.** We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Such agreements include guarantees and stand-by letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended commercial purposes. As of March 31, 2024 and December 31, 2023, we had issued stand-by letters of credit of \$9.9 million for the benefit of third parties.

ITEM 1. FINANCIAL STATEMENTS (continued)**NiSource Inc.****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At March 31, 2024 and December 31, 2023, our guarantees for multiple BTAs totaled \$672.3 million and \$646.1 million, respectively. The amount of each guaranty will decrease upon the substantial completion of the construction of the facilities. See "- D. Other Matters - Generation Transition," below for more information.

**B. Legal Proceedings.** From time to time, various legal and regulatory claims and proceedings are pending or threatened against the Company and its subsidiaries. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company establishes reserves whenever it believes it to be appropriate for pending litigation matters. However, the actual results of resolving the pending litigation matters may be substantially higher than the amounts reserved. If one or more matters were decided against us, the effects could be material to our results of operations in the period in which we would be required to record or adjust the related liability and could also be material to our cash flows in the periods that we would be required to pay such liability. Due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim, proceeding or investigation would not have a material adverse effect on our results of operations, financial position or liquidity.

**Other Claims and Proceedings.** We are also party to other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, and based upon an investigation of these matters and discussion with legal counsel, we believe the ultimate outcome of such other legal proceedings to be individually, or in aggregate, not material at this time.

**C. Environmental Matters.** Our operations are subject to environmental statutes and regulations related to air quality, water quality, hazardous waste and solid waste. We believe that we are in substantial compliance with the environmental regulations currently applicable to our operations.

It is management's continued intent to address environmental issues in cooperation with regulatory authorities in such a manner as to achieve mutually acceptable compliance plans. However, there can be no assurance that fines and penalties will not be incurred. Management expects a majority of environmental assessment and remediation costs and asset retirement costs, further described below, to be recoverable through rates.

As of March 31, 2024 and December 31, 2023, we had recorded a liability of \$77.8 million and \$80.0 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities and deferred credits" in the Condensed Consolidated Balance Sheets (unaudited). We recognize costs associated with environmental remediation obligations when the incurrence of such costs is probable and the amounts can be reasonably estimated. The original estimates for remediation activities may differ materially from the amount ultimately expended. The actual future expenditures depend on many factors, including laws and regulations, the nature and extent of impact and the method of remediation. These expenditures are not currently estimable at some sites. We periodically adjust our liability as information is collected and estimates become more refined.

**CERCLA.** Our subsidiaries are potentially responsible parties at waste disposal sites under CERCLA and similar state laws. Under CERCLA, each potentially responsible party can be held jointly, severally and strictly liable for the remediation costs as the EPA, or state, can allow the parties to pay for remedial action or perform remedial action themselves and request reimbursement from the potentially responsible parties. Our affiliates have retained CERCLA environmental liabilities, including remediation liabilities, associated with certain current and former operations. At this time, we cannot estimate the full cost of remediating properties that have not yet been investigated, but it is possible that the future costs could be material to the Condensed Consolidated Financial Statements (unaudited).

**MGP.** We maintain a program to identify and investigate former MGP sites where our subsidiaries or predecessors may have liability. The program has identified 53 such sites where liability is probable. Remedial actions at many of these sites are being overseen by state or federal environmental agencies through consent agreements or voluntary remediation agreements.

We utilize a probabilistic model to estimate our future remediation costs related to MGP sites. The model was prepared with the assistance of a third party and incorporates our experience and general industry experience with remediating MGP sites. We complete an annual refresh of the model in the second quarter of each fiscal year. Our total estimated liability related to the facilities subject to remediation was \$72.8 million and \$73.7 million at March 31, 2024 and December 31, 2023, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. Our model indicates that it is reasonably possible that remediation costs could vary by as much as \$15.1 million in addition to the costs noted above. Remediation costs are estimated based on the best available information, applicable remediation standards at the balance sheet date and experience with similar facilities.

# ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

**CCRs.** NIPSCO continues to meet the compliance requirements established by the EPA for the regulation of CCRs. The CCR rule requirements currently in effect required revisions to previously recorded legal obligations associated with the retirement of certain NIPSCO facilities. The actual asset retirement costs related to the CCR rule may vary substantially from the estimates used to record the increased asset retirement obligation due to the uncertainty about the requirements that will be established by environmental authorities, compliance strategies that will be used and the preliminary nature of available data used to estimate costs. As allowed by the rule, NIPSCO will continue to collect data over time to determine the specific compliance solutions and associated costs and, as a result, the actual costs may vary. On April 25, 2024 new EPA rules have been issued and we are evaluating the potential impact on our business.

#### D. Other Matters.

**Generation Transition.** NIPSCO has also executed several BTAs with developers to construct renewable generation facilities. NIPSCO has received IURC approval for all of its BTAs and PPAs. In addition to IURC approval, NIPSCO's purchase obligation under the BTAs is dependent on timely completion of construction and for certain BTAs successful execution by NIPSCO of an agreement with a tax equity partner. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. With respect to BTAs for which tax equity partnerships are utilized, NIPSCO and the tax equity partner are obligated to make cash contributions to the JV that acquires project at the date construction is substantially complete. Once the tax equity partner has earned its negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value the remaining interest in the JV from the tax equity partner. On January 17, 2024, the IURC approved the full ownership of Cavalry and Dunns Bridge II which will allow those BTAs to be executed through direct ownership. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project as contemplated in the contractual actions. On March 18, 2024, Cavalry achieved mechanical completion, resulting in NIPSCO making a \$110.6 million payment to the developer.

#### 16. Accumulated Other Comprehensive Loss

The following tables display the components of Accumulated Other Comprehensive Loss, net of tax:

| <i>(in millions)</i>                                           | Gains and Losses on Securities <sup>(1)</sup> | Gains and Losses on Cash Flow Hedges <sup>(1)</sup> | Pension and OPEB Items <sup>(1)</sup> | Accumulated Other Comprehensive Loss <sup>(1)</sup> |
|----------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|
| Balance as of January 1, 2024                                  | \$ (7.3)                                      | \$ (12.8)                                           | \$ (13.5)                             | \$ (33.6)                                           |
| Other comprehensive loss before reclassifications              | (0.6)                                         | (0.2)                                               | (0.1)                                 | (0.9)                                               |
| Amounts reclassified from accumulated other comprehensive loss | 0.3                                           | 0.1                                                 | 0.3                                   | 0.7                                                 |
| Net current-period other comprehensive income (loss)           | (0.3)                                         | (0.1)                                               | 0.2                                   | (0.2)                                               |
| <b>Balance as of March 31, 2024</b>                            | <b>\$ (7.6)</b>                               | <b>\$ (12.9)</b>                                    | <b>\$ (13.3)</b>                      | <b>\$ (33.8)</b>                                    |

<sup>(1)</sup>All amounts are net of tax. Amounts in parentheses indicate debits.

| <i>(in millions)</i>                                           | Gains and Losses on Securities <sup>(1)</sup> | Gains and Losses on Cash Flow Hedges <sup>(1)</sup> | Pension and OPEB Items <sup>(1)</sup> | Accumulated Other Comprehensive Loss <sup>(1)</sup> |
|----------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------------------|
| Balance as of January 1, 2023                                  | \$ (11.2)                                     | \$ (12.6)                                           | \$ (13.3)                             | \$ (37.1)                                           |
| Other comprehensive income (loss) before reclassifications     | 1.7                                           | —                                                   | —                                     | 1.7                                                 |
| Amounts reclassified from accumulated other comprehensive loss | 0.3                                           | 0.1                                                 | 0.3                                   | 0.7                                                 |
| Net current-period other comprehensive income (loss)           | 2.0                                           | 0.1                                                 | 0.3                                   | 2.4                                                 |
| <b>Balance as of March 31, 2023</b>                            | <b>\$ (9.2)</b>                               | <b>\$ (12.5)</b>                                    | <b>\$ (13.0)</b>                      | <b>\$ (34.7)</b>                                    |

<sup>(1)</sup>All amounts are net of tax. Amounts in parentheses indicate debits.

ITEM 1. FINANCIAL STATEMENTS (continued)

**NiSource Inc.**

**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

**17. Business Segment Information**

Our reportable segments reflect the manner in which our business is managed, and our resources are allocated. Following the consummation of the NIPSCO Minority Interest Transaction, the funding and strategic management was revised to evaluate operating performance at the state level. Refer to Note 4, "Noncontrolling Interests," for additional information on the NIPSCO Minority Interest Transaction. Our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations. Columbia Operations aggregates the results of the fully regulated and wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. (a holding company that owns Columbia of Kentucky, Columbia of Maryland, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Virginia). Each Columbia distribution company is an operating segment which we aggregate to form the Columbia Operations reportable segment. NIPSCO Operations includes the results of NIPSCO Holdings I and its majority-owned subsidiaries, including NIPSCO, which has fully regulated gas and electric operations in Northwest Indiana.

The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as a reportable segment, are presented as "Corporate and Other" and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities. Refer to Note 3, "Revenue Recognition," for additional information on our segments and their sources of revenues. The following table provides information about our reportable segments. Our CODM uses operating income as the primary measurement for each of the reported segments and makes decisions on finance, dividends, and taxes at the corporate level on a consolidated basis. Segment revenues include intersegment sales to affiliated subsidiaries, which are eliminated in consolidation. Affiliated sales are recognized on the basis of prevailing market, regulated prices or at levels provided for under contractual agreements. Operating income is derived from revenues and expenses directly associated with each segment.

## ITEM 1. FINANCIAL STATEMENTS (continued)

## NiSource Inc.

## Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

| (in millions)                          | Three Months Ended<br>March 31, |                   |
|----------------------------------------|---------------------------------|-------------------|
|                                        | 2024                            | 2023              |
| <b>Operating Revenues</b>              |                                 |                   |
| <b>Columbia Operations</b>             |                                 |                   |
| Unaffiliated                           | \$ 953.7                        | \$ 1,048.9        |
| Intersegment                           | 3.2                             | 3.0               |
| <b>Total</b>                           | <b>956.9</b>                    | <b>1,051.9</b>    |
| <b>NIPSCO Operations</b>               |                                 |                   |
| Unaffiliated                           | 752.4                           | 916.9             |
| Intersegment                           | 0.3                             | 0.3               |
| <b>Total</b>                           | <b>752.7</b>                    | <b>917.2</b>      |
| <b>Corporate and Other</b>             |                                 |                   |
| Unaffiliated                           | 0.2                             | 0.2               |
| Intersegment                           | 139.9                           | 116.7             |
| <b>Total</b>                           | <b>140.1</b>                    | <b>116.9</b>      |
| Eliminations                           | (143.4)                         | (120.0)           |
| <b>Consolidated Operating Revenues</b> | <b>\$ 1,706.3</b>               | <b>\$ 1,966.0</b> |
| <b>Operating Income</b>                |                                 |                   |
| Columbia Operations                    | \$ 362.0                        | \$ 351.8          |
| NIPSCO Operations                      | 216.4                           | 177.0             |
| Corporate and Other                    | 5.0                             | 2.2               |
| <b>Consolidated Operating Income</b>   | <b>\$ 583.4</b>                 | <b>\$ 531.0</b>   |

The following table provides information about the assets of our reportable segments included in the Condensed Consolidated Balance Sheet (unaudited):

| (in millions)              | March 31,<br>2024  | December 31,<br>2023 |
|----------------------------|--------------------|----------------------|
| <b>Assets</b>              |                    |                      |
| Columbia Operations        | \$ 13,789.8        | \$ 13,664.5          |
| NIPSCO Operations          | 14,221.0           | 13,962.6             |
| Corporate and Other        | 1,327.3            | 3,450.1              |
| <b>Consolidated Assets</b> | <b>\$ 29,338.1</b> | <b>\$ 31,077.2</b>   |

Information about our reportable segments for the three months ended March 31, 2023, as well as for the period ended December 31, 2023 has been recast to align with the current year's presentation.

ITEM 1. FINANCIAL STATEMENTS (continued)**NiSource Inc.****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)****18. Other, Net**

The following table displays the components of Other, Net included on the Condensed Statements of Consolidated Income (unaudited):

| <i>(in millions)</i>                                        | <b>Three Months Ended<br/>March 31,</b> |             |
|-------------------------------------------------------------|-----------------------------------------|-------------|
|                                                             | <b>2024</b>                             | <b>2023</b> |
| Interest income                                             | \$ 2.5                                  | \$ 1.8      |
| AFUDC equity                                                | 11.3                                    | 4.8         |
| Pension and other postretirement non-service benefit (cost) | (2.2)                                   | (3.5)       |
| Miscellaneous                                               | (2.4)                                   | (1.6)       |
| Total Other, net                                            | \$ 9.2                                  | \$ 1.5      |

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NiSource Inc.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NiSource Inc.

## EXECUTIVE SUMMARY

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion") includes management's analysis of past financial results and certain potential factors that may affect future results, potential future risks and approaches that may be used to manage those risks. See "Note regarding forward-looking statements" at the beginning of this report for a list of factors that may cause results to differ materially.

Management's Discussion is designed to provide an understanding of our operations and financial performance and should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

We are an energy holding company under the Public Utility Holding Company Act of 2005 whose utility subsidiaries are fully regulated natural gas and electric utility companies serving customers in six states. We generate substantially all of our operating income through these rate-regulated businesses, which are summarized for financial reporting purposes into two primary reportable segments: Columbia Operations and NIPSCO Operations. Refer to "Note 17, "Business Segment Information," for further discussion of our business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) focus on long-term infrastructure investment and safety programs to better serve our customers, (ii) align our tariff structures with our cost structure, and (iii) address changing customer energy demand. These strategies focus on improving safety and reliability, enhancing customer experience, pursuing regulatory and legislative initiatives to increase accessibility for customers currently not on our gas and electric service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our focus. Serving as a guiding practice for our SMS, NiSource is certified in conformance to the American Petroleum Institute Recommended Practice 1173, which is the foundation to our journey towards operational excellence. We also made advancements in key strategic initiatives, described in further detail below.

**Energy Transition:** We continue to advance our energy transition strategy, primarily through the continuation and enhancement of existing programs, such as retiring and replacing remaining coal-fired electric generation by 2028 with a balanced mix of low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak detection and repair. Our electric generation transition, initiated through the NIPSCO 2018 Integrated Resource Plan ("2018 Plan") is well underway, and we are continually adjusting to the dynamic energy landscape. As of March 31, 2024, we have executed and received IURC approval for BTAs and PPAs for wind, solar and solar plus storage projects, with a combined nameplate capacity of 1,950 MW and 1,400 MW, respectively, under the 2018 Plan. We have also taken contractual actions on a number of our other renewable projects to address the timing of these projects as well as consider the broad market issues facing the industry. We remain on track to retire R.M. Schahfer's remaining two coal units by the end of 2025. On January 17, 2024, the IURC approved full ownership of the Cavalry and Dunns Bridge II projects, allowing NIPSCO to leverage provisions of the Inflation Reduction Act passed in 2022, to monetize renewable tax credits more effectively. Full ownership of these projects provide enhanced benefits to customers as compared to the previous tax equity partnership structure approved by the IURC. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project as contemplated in the contractual actions referenced above. We are continuing to evaluate the impact of this legislation on our remaining projects, with potential to drive increased value to customers. For additional information, see "Results and Discussion of Segment Operations - NIPSCO Operations," in this Management's Discussion.

In 2021, we announced and filed with the IURC the Preferred Energy Resource Plan associated with our 2021 Integrated Resource Plan ("2021 Plan"). The 2021 Plan affirms plans to retire the coal unit at the Michigan City Generating Station by the end of 2028. The 2021 Plan calls for the replacement of the retiring units with a diverse portfolio of resources including demand side management resources, incremental solar, stand-alone energy storage and upgrades to existing facilities at the Sugar Creek Generating Station, among other steps. Additionally, the 2021 Plan calls for a new natural gas peaking facility to replace existing vintage gas peaking facilities at the R.M. Schahfer Generating Station to support system reliability and resiliency, and upgrades to the electric transmission system. In September of 2023, we filed a request for issuance of a certificate of public convenience and necessity for an approximately 400 MW natural gas peaking generation facility with the IURC. The planned retirement of the two vintage gas peaking facilities at the R.M. Schahfer Generating Station is also expected to occur by the end of 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

**NiSource Inc.**

We continue to enhance safety and reduce methane emissions on our gas systems through modernization programs and utilization of advanced leak detection and repair. In addition, we plan to advance other low- or zero-emission energy resources and technologies, such as hydrogen and renewable natural gas.

**NIPSCO Minority Interest Transaction:** On December 31, 2023, contemporaneously with the closing of the NIPSCO Minority Interest Transaction, Blackstone, NIPSCO Holdings I, NIPSCO Holdings II, and NiSource entered into an Amended and Restated Limited Liability Company Agreement (the "LLC Agreement") of NIPSCO Holdings II. On January 31, 2024, BIP transferred a 4.5% equity interest in NIPSCO Holdings II to BIP Blue Buyer VCOC L.L.C., a Delaware limited liability company and also an affiliate of Blackstone. Effective upon the closing of this transfer, the members of NIPSCO Holdings II entered into a Second Amended and Restated Limited Liability Company Operating Agreement of NIPSCO Holdings II (the "Amended LLC Agreement"). The two affiliates of Blackstone must vote their equity holdings under the Amended LLC Agreement as one investor. Refer to Note 4, "Noncontrolling Interests," for more information on this transaction.

**Transformation:** Our enterprise-wide transformation roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We are committed to identifying and implementing initiatives that will enable us to streamline work and improve logistics company-wide. These efforts include investments in proven technologies backed with standardized processes that will change the way we plan, schedule, and execute work in the field and how we engage and provide service to our customers. Taken together, all of our optimization initiatives will prioritize safety and continue to optimize our long-term growth profile. We are making progress towards our transformation goals with the anticipated third quarter 2024 launch of the first phase of our WAM program, an information technology system that optimizes the scheduling, dispatch, and execution of our field operations.

**Economic Environment:** We continue to monitor risks related to increasing order and delivery lead times for construction and other materials, potential unavailability of materials due to global shortages in raw materials, and decreased construction labor productivity in the event of disruptions in the availability of materials. We continue to see increasing prices associated with certain materials and supplies. To the extent that work delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

We are faced with increased competition for employee and contractor talent in the current labor market which has resulted in increased costs to attract and retain talent. We are ensuring that we use all internal human capital programs (development, leadership enablement programs, succession, performance management) to promote retention of our current employees along with having a competitive and attractive employee value proposition for potential recruits. With a focus on workforce planning, we are evaluating our future talent footprint by creating flexible work arrangements where possible to ensure we have the right people, in the right role, and at the right time.

We continue to evaluate our financing plan to manage interest expense and exposure to rates. For more information on interest rate risk, see "Market Risk Disclosures".

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

### NiSource Inc.

#### Summary of Consolidated Financial Results

A summary of our consolidated financial results for the three months ended March 31, 2024 and 2023 are presented below:

| <i>(in millions, except per share amounts)</i>            | Three Months Ended March 31, |                   |                            |
|-----------------------------------------------------------|------------------------------|-------------------|----------------------------|
|                                                           | 2024                         | 2023              | Favorable<br>(Unfavorable) |
| <b>Operating Revenues</b>                                 | <b>\$ 1,706.3</b>            | <b>\$ 1,966.0</b> | <b>\$ (259.7)</b>          |
| <b>Operating Expenses</b>                                 |                              |                   |                            |
| Cost of energy                                            | 425.0                        | 765.1             | 340.1                      |
| Other Operating Expenses                                  | 697.9                        | 669.9             | (28.0)                     |
| <b>Total Operating Expenses</b>                           | <b>1,122.9</b>               | <b>1,435.0</b>    | <b>312.1</b>               |
| <b>Operating Income</b>                                   | <b>583.4</b>                 | <b>531.0</b>      | <b>52.4</b>                |
| Total Other Deductions, Net                               | (107.1)                      | (107.4)           | 0.3                        |
| Income Taxes                                              | 76.0                         | 85.8              | 9.8                        |
| <b>Net Income</b>                                         | <b>400.3</b>                 | <b>337.8</b>      | <b>62.5</b>                |
| Net income (loss) attributable to noncontrolling interest | 35.3                         | 4.8               | (30.5)                     |
| <b>Net Income Attributable to NiSource</b>                | <b>365.0</b>                 | <b>333.0</b>      | <b>32.0</b>                |
| Preferred dividends and redemption premium                | (20.7)                       | (13.8)            | (6.9)                      |
| <b>Net Income Available to Common Shareholders</b>        | <b>344.3</b>                 | <b>319.2</b>      | <b>25.1</b>                |
| <b>Earnings Per Share</b>                                 |                              |                   |                            |
| Basic Earnings Per Share                                  | \$ 0.77                      | \$ 0.77           | \$ —                       |
| Diluted Earnings Per Share                                | \$ 0.77                      | \$ 0.71           | \$ 0.06                    |

The majority of the cost of energy in the Columbia Operations and NIPSCO Operations segments are tracked costs that are passed through directly to the customer, resulting in an equal and offsetting amount reflected in operating revenues.

The increase in net income available to common shareholders for the three months ended March 31, 2024 was primarily due to higher revenues, net of cost of energy, driven by rate increases from regulatory outcomes. Higher net income is offset by increased net income attributable to noncontrolling interest following the consummation of the NIPSCO Minority Interest Transaction.

The increase in preferred dividends and redemption premium for the three months ended March 31, 2024 was primarily due to the inclusion of \$14 million Series B preferred redemption premium, offset by a shortened dividend accrual period due to the early redemption of Series A Preferred Stock in 2023 and the reduction of accrual for Series B Preferred Stock in 2024. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

For additional information on operating income variance drivers see "Results and Discussion of Segment Operations" for Columbia Operations and NIPSCO Operations in this Management's Discussion.

#### Income Taxes

Refer to Note 13, "Income Taxes," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rates for the periods presented.

We continue to monitor and evaluate the impacts of final or proposed income tax regulations issued on provisions of the IRA including but not limited to renewable energy tax credits and the excise tax on stock buybacks guidance issued on April 9, 2024. While our analysis is not complete, we do not believe these proposed regulations will materially impact the excise tax liability recorded in 2023. See Note 6 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of the excise tax on stock buybacks.

## RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

### Presentation of Segment Information

In response to the NIPSCO Minority Interest Transaction, our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations. Columbia Operations aggregates the results of the fully regulated and wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. (a holding company that owns Columbia of Kentucky, Columbia of Maryland, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Virginia). Each Columbia distribution company is an operating segment which we aggregate to form the Columbia Operations reportable segment. NIPSCO Operations aggregates the results of NIPSCO Holdings I, and its majority-owned subsidiaries, including NIPSCO, which has both fully regulated gas and electric operations in Northwest Indiana. . The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as a reportable segment, are presented as "Corporate and Other" within the Notes to the Condensed Consolidated Financial Statements (unaudited) and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**
**NiSource Inc.  
Columbia Operations**

Financial and operational data for the Columbia Operations segment for the three months ended March 31, 2024 and 2023 are presented below.

| <i>(in millions)</i>                            | Three Months Ended March 31, |            |                            |
|-------------------------------------------------|------------------------------|------------|----------------------------|
|                                                 | 2024                         | 2023       | Favorable<br>(Unfavorable) |
| <b>Operating Revenues</b>                       | \$ 956.9                     | \$ 1,051.9 | \$ (95.0)                  |
| <b>Operating Expenses</b>                       |                              |            |                            |
| Cost of energy                                  | 228.8                        | 338.3      | 109.5                      |
| Operation and maintenance                       | 210.7                        | 220.5      | 9.8                        |
| Depreciation and amortization                   | 98.2                         | 87.7       | (10.5)                     |
| Other taxes                                     | 57.2                         | 53.6       | (3.6)                      |
| Total Operating Expenses                        | 594.9                        | 700.1      | 105.2                      |
| Operating Income                                | \$ 362.0                     | \$ 351.8   | \$ 10.2                    |
| <b>Revenues</b>                                 |                              |            |                            |
| Residential                                     | \$ 665.8                     | \$ 722.9   | \$ (57.1)                  |
| Commercial                                      | 225.3                        | 253.2      | (27.9)                     |
| Industrial                                      | 40.4                         | 40.5       | (0.1)                      |
| Off-System                                      | 12.7                         | 17.2       | (4.5)                      |
| Other                                           | 12.7                         | 18.1       | (5.4)                      |
| Total                                           | \$ 956.9                     | \$ 1,051.9 | \$ (95.0)                  |
| <b>Sales and Transportation (MMDth)</b>         |                              |            |                            |
| Residential                                     | 77.0                         | 74.4       | 2.6                        |
| Commercial                                      | 54.3                         | 50.7       | 3.6                        |
| Industrial                                      | 68.5                         | 61.6       | 6.9                        |
| Off-System                                      | 7.3                          | 7.4        | (0.1)                      |
| Other                                           | 0.2                          | 0.2        | —                          |
| Total                                           | 207.3                        | 194.3      | 13.0                       |
| <b>Heating Degree Days<sup>(1)</sup></b>        | 2,284                        | 2,229      | 55                         |
| <b>Normal Heating Degree Days<sup>(1)</sup></b> | 2,739                        | 2,729      | 10                         |
| <b>% (Warmer) than Normal</b>                   | (17)%                        | (18)%      |                            |
| <b>% Colder than prior year</b>                 | 2 %                          |            |                            |
| <b>Columbia Operations Customers</b>            |                              |            |                            |
| Residential                                     | 2,222,345                    | 2,212,247  | 10,098                     |
| Commercial                                      | 189,394                      | 189,222    | 172                        |
| Industrial                                      | 1,980                        | 2,074      | (94)                       |
| Other                                           | 5                            | 3          | 2                          |
| Total                                           | 2,413,724                    | 2,403,546  | 10,178                     |

<sup>(1)</sup> Heating degree figures represent averages of the five jurisdictions served by Columbia Operations.

Comparability of operation and maintenance expenses, depreciation and amortization, and other taxes may be impacted by regulatory, depreciation, and tax trackers that allow for the recovery in rates of certain costs.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

**NiSource Inc.  
Columbia Operations**

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

|                                                                                 | <b>Favorable<br/>(Unfavorable)</b>                   |
|---------------------------------------------------------------------------------|------------------------------------------------------|
|                                                                                 | <b>Three Months Ended<br/>March 31, 2024 vs 2023</b> |
| <b>Changes in Operating Revenues</b> <i>(in millions)</i>                       |                                                      |
| New rates from base rate proceedings and regulatory capital programs            | \$ 34.9                                              |
| Increased customer usage                                                        | 8.1                                                  |
| The effects of customer growth                                                  | 2.2                                                  |
| The effects of weather in 2024 compared to 2023                                 | 1.6                                                  |
| Other                                                                           | (2.9)                                                |
| Change in operating revenues (before cost of energy and other tracked items)    | \$ 43.9                                              |
| <b>Operating revenues offset in operating expense</b>                           |                                                      |
| Lower cost of energy billed to customers                                        | (109.4)                                              |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | (29.5)                                               |
| <b>Total change in operating revenues</b>                                       | <b>\$ (95.0)</b>                                     |

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating degree days, net of weather normalization mechanisms. Our composite heating degree days reported do not directly correlate to the weather-related dollar impact on the results of Columbia Operations. Heating degree days experienced during different times of the year or in different operating locations may have more or less impact on volume and dollars depending on when and where they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating degree day comparison.

Throughput

The increase in total volumes for the three months ended March 31, 2024, compared to the same period in 2023, is primarily attributable to increased industrial usage.

Commodity Price Impact

Cost of energy for the Columbia Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All Columbia Operations companies have state-approved recovery mechanisms that provide a means for full recovery of prudently incurred gas costs. These are tracked costs that are passed through directly to the customer, and the gas costs included in revenues are matched with the gas cost expense recorded in the period. The difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered gas cost to be included in future customer billings. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

Certain of the Columbia Operations companies continue to offer choice opportunities, where customers can choose to purchase gas from a third-party supplier, through regulatory initiatives in their respective jurisdictions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**NiSource Inc.  
Columbia Operations**

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

|                                                                                 | <b>Favorable<br/>(Unfavorable)</b>                   |
|---------------------------------------------------------------------------------|------------------------------------------------------|
|                                                                                 | <b>Three Months Ended<br/>March 31, 2024 vs 2023</b> |
| <b>Changes in Operating Expenses</b> <i>(in millions)</i>                       |                                                      |
| Higher employee and administrative related expenses                             | \$ (13.7)                                            |
| Higher depreciation and amortization expense                                    | (10.6)                                               |
| Higher property tax                                                             | (2.6)                                                |
| Higher outside services expenses                                                | (2.4)                                                |
| Other                                                                           | (4.4)                                                |
| Change in operating expenses (before cost of energy and other tracked items)    | \$ (33.7)                                            |
| <b>Operating expenses offset in operating revenue</b>                           |                                                      |
| Lower cost of energy billed to customers                                        | 109.4                                                |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | 29.5                                                 |
| <b>Total change in operating expense</b>                                        | <b>\$ 105.2</b>                                      |

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**
**NiSource Inc.  
NIPSCO Operations**

Financial and operational data for the NIPSCO Operations segment, which services both gas and electric customers, for the three months ended March 31, 2024 and 2023 are presented below.

| <i>(in millions)</i>          | Three Months Ended March 31, |          |                            |
|-------------------------------|------------------------------|----------|----------------------------|
|                               | 2024                         | 2023     | Favorable<br>(Unfavorable) |
| <b>NIPSCO Operations</b>      |                              |          |                            |
| <b>Operating Revenues</b>     | \$ 752.7                     | \$ 917.2 | \$ (164.5)                 |
| <b>Operating Expenses</b>     |                              |          |                            |
| Cost of energy                | 196.2                        | 426.8    | 230.6                      |
| Operation and maintenance     | 191.3                        | 190.5    | (0.8)                      |
| Depreciation and amortization | 132.7                        | 108.3    | (24.4)                     |
| Other taxes                   | 16.1                         | 14.6     | (1.5)                      |
| Total Operating Expenses      | 536.3                        | 740.2    | 203.9                      |
| Operating Income              | \$ 216.4                     | \$ 177.0 | \$ 39.4                    |

| <i>(in millions)</i>             | Three Months Ended March 31, |          |                            |
|----------------------------------|------------------------------|----------|----------------------------|
|                                  | 2024                         | 2023     | Favorable<br>(Unfavorable) |
| <b>NIPSCO Electric</b>           |                              |          |                            |
| <b>Revenues</b>                  |                              |          |                            |
| Residential                      | \$ 143.8                     | \$ 150.4 | \$ (6.6)                   |
| Commercial                       | 142.9                        | 150.9    | (8.0)                      |
| Industrial                       | 116.1                        | 134.4    | (18.3)                     |
| Wholesale                        | 6.4                          | 2.6      | 3.8                        |
| Other                            | 24.8                         | 26.4     | (1.6)                      |
| Total                            | \$ 434.0                     | \$ 464.7 | \$ (30.7)                  |
| <b>Sales (GWh)</b>               |                              |          |                            |
| Residential                      | 764.9                        | 766.1    | (1.2)                      |
| Commercial                       | 878.7                        | 856.2    | 22.5                       |
| Industrial                       | 1,832.7                      | 1,937.7  | (105.0)                    |
| Wholesale                        | 149.2                        | —        | 149.2                      |
| Other                            | 23.4                         | 22.8     | 0.6                        |
| Total                            | 3,648.9                      | 3,582.8  | 66.1                       |
| <b>NIPSCO Electric Customers</b> |                              |          |                            |
| Residential                      | 428,035                      | 425,090  | 2,945                      |
| Commercial                       | 58,883                       | 58,499   | 384                        |
| Industrial                       | 2,120                        | 2,133    | (13)                       |
| Wholesale                        | 708                          | 708      | —                          |
| Other                            | 3                            | 3        | —                          |
| Total                            | 489,749                      | 486,433  | 3,316                      |

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**
**NiSource Inc.  
NIPSCO Operations**

| <i>(in millions)</i>                            | <b>Three Months Ended March 31,</b> |              |                                    |
|-------------------------------------------------|-------------------------------------|--------------|------------------------------------|
|                                                 | <b>2024</b>                         | <b>2023</b>  | <b>Favorable<br/>(Unfavorable)</b> |
| <b>NIPSCO Gas</b>                               |                                     |              |                                    |
| <b>Revenues</b>                                 |                                     |              |                                    |
| Residential                                     | \$ 212.1                            | \$ 302.4     | \$ (90.3)                          |
| Commercial                                      | 74.7                                | 112.7        | (38.0)                             |
| Industrial                                      | 23.8                                | 31.5         | (7.7)                              |
| Other                                           | 8.1                                 | 5.9          | 2.2                                |
| Total                                           | \$ 318.7                            | \$ 452.5     | \$ (133.8)                         |
| <b>Sales and Transportation Volumes (MMDth)</b> |                                     |              |                                    |
| Residential                                     | 28.6                                | 29.2         | (0.6)                              |
| Commercial                                      | 17.7                                | 17.7         | —                                  |
| Industrial                                      | 70.2                                | 71.0         | (0.8)                              |
| Total                                           | 116.5                               | 117.9        | (1.4)                              |
| <b>Heating Degree Days</b>                      | <b>2,643</b>                        | <b>2,659</b> | <b>(16)</b>                        |
| <b>Normal Heating Degree Days</b>               | <b>3,141</b>                        | <b>3,100</b> | <b>41</b>                          |
| <b>% (Warmer) than Normal</b>                   | <b>(16)%</b>                        | <b>(14)%</b> |                                    |
| <b>% (Warmer) than prior year</b>               | <b>(1)%</b>                         |              |                                    |
| <b>NIPSCO Gas Customers</b>                     |                                     |              |                                    |
| Residential                                     | 797,326                             | 791,030      | 6,296                              |
| Commercial                                      | 66,485                              | 66,162       | 323                                |
| Industrial                                      | 2,784                               | 2,860        | (76)                               |
| Total                                           | 866,595                             | 860,052      | 6,543                              |

Comparability of operation and maintenance expenses and depreciation and amortization may be impacted by regulatory and depreciation trackers that allow for the recovery in rates of certain costs.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

### NiSource Inc. NIPSCO Operations

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

|                                                                                                                                | <b>Favorable (Unfavorable)</b> |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
|                                                                                                                                | <b>Three Months Ended</b>      |
|                                                                                                                                | <b>March 31, 2024 vs 2023</b>  |
| <b>Changes in Operating Revenues (in millions)</b>                                                                             |                                |
| New rates from base rate proceedings, regulatory capital and DSM programs                                                      | 65.6                           |
| Renewable Joint Venture revenue, fully offset by Joint Venture operating expense and noncontrolling interest net income (loss) | 4.0                            |
| Increased customer usage                                                                                                       | 3.9                            |
| Increased customer count                                                                                                       | 2.7                            |
| The effects of weather in 2024 compared to 2023                                                                                | (5.7)                          |
| Other                                                                                                                          | (2.3)                          |
| Change in operating revenues (before cost of energy and other tracked items)                                                   | \$ 68.2                        |
| <b>Operating revenues offset in operating expense</b>                                                                          |                                |
| Lower cost of energy billed to customers                                                                                       | (230.7)                        |
| Lower tracker deferrals within operation and maintenance, depreciation and tax                                                 | (2.0)                          |
| <b>Total change in operating revenues</b>                                                                                      | <b>\$ (164.5)</b>              |

#### Weather

The results of operations for the NIPSCO Operations segment include income from both electric and gas service lines. In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal cooling degree days and normal heating degree days, net of weather normalization mechanisms. Our composite cooling and heating degree days reported do not directly correlate to the weather-related dollar impact on the results of NIPSCO Operations. Cooling and heating degree days experienced during different times of the year or in different operating locations may have more or less impact on volume and dollars depending on when they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite cooling and heating degree day comparison.

#### Sales

The increase in total volumes sold to electric customers for the three months ended March 31, 2024 compared to the same period in 2023 was primarily attributable to increased usage by commercial and wholesale customers partially offset by industrial and residential customers usage.

The decrease in total volumes sold to gas customers for the three months ended March 31, 2024 compared to the same period in 2023 was primarily attributable to decreased usage by industrial and residential customers.

#### Commodity Price Impact

Cost of energy for the NIPSCO Operations segment's electric activities is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity, and the cost of power purchased from generators of electricity for its generation and transmission activities. For its gas distribution activities, NIPSCO Operations' cost of energy is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. NIPSCO Operations has state-approved recovery mechanisms that provide a means for full recovery of prudently incurred costs of energy. The majority of these costs of energy are passed through directly to the customer, and the costs of energy included in operating revenues are matched with the cost of energy expense recorded in the period. The difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered fuel and gas costs to be included in future customer billings. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

### NiSource Inc. NIPSCO Operations

|                                                                                                  | <b>Favorable (Unfavorable)</b> |
|--------------------------------------------------------------------------------------------------|--------------------------------|
|                                                                                                  | <b>Three Months Ended</b>      |
|                                                                                                  | <b>March 31, 2024 vs 2023</b>  |
| <b>Changes in Operating Expenses (in millions)</b>                                               |                                |
| Higher depreciation and amortization expense driven by new base rates                            | (20.0)                         |
| Higher employee and administrative expenses                                                      | (9.5)                          |
| Renewable Joint Venture operating expenses, partially offset by Joint Venture operating revenues | (9.3)                          |
| Lower materials and supplies costs                                                               | 4.4                            |
| Lower outside services expenses primarily related to lower generation-related maintenance        | 2.0                            |
| Other                                                                                            | 3.6                            |
| Change in operating expenses (before cost of energy and other tracked items)                     | \$ (28.8)                      |
| <b>Operating expenses offset in operating revenue</b>                                            |                                |
| Lower cost of energy billed to customers                                                         | 230.7                          |
| Lower tracker deferrals within operation and maintenance, depreciation and tax                   | 2.0                            |
| <b>Total change in operating expense</b>                                                         | <b>\$ 203.9</b>                |

### Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan and 2021 Plan, which outlines the path to retire the remaining two coal units at R.M. Schahfer by the end of 2025 and the remaining coal-fired generation at Michigan City by the end of 2028, to be replaced by lower-cost, reliable and cleaner options. See "Project Status" discussion, below, and "Liquidity and Capital Resources" in this Management's Discussion for information on anticipated in-service dates related to our electric generation transition and additional information on our capital investment spend.

NIPSCO continues to work with the EPA to obtain an administrative approval associated with the operation of R.M. Schahfer's remaining two coal units until 2025. In the event that the approval is not obtained, future operations could be impacted. We cannot estimate the financial impact on us if this approval is not obtained. Refer to Item 1A. Risk Factors, "Operational Risks," of the 2023 Annual Report on Form 10-K for further detail.

The current replacement plan is aligned with the Preferred Energy Resource Plan outlined in the 2021 Plan and primarily includes renewable sources of energy, including wind, solar, battery storage, and flexible natural gas resources to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from its renewable generation to third parties to offset customer costs. NIPSCO has executed several PPAs to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. Each facility supplying the energy will have an associated nameplate capacity, and payments under the PPAs will not begin until the associated generation facility is constructed by the owner/seller. NIPSCO has also executed several BTAs with developers to construct renewable generation facilities.

Since 2020, two wind PPA projects, two wind BTA projects and two solar BTA projects have been placed into service, totaling 1,465 MW of nameplate capacity. NIPSCO has executed commercial agreements for each of the eight remaining identified projects. Dunns Bridge II, Cavalry, Fairbanks, Gibson, GreenRiver, Appleseed, Carpenter and Templeton have received IURC approval. NIPSCO has filed for a new gas peaking facility to be located at R.M. Schahfer Generating Station. On November 22, 2023 the IURC approved NIPSCO's request to convert the Gibson project from a PPA to a BTA. On January 17, 2024 the IURC approved increases to the project costs as well as the full ownership of Cavalry and Dunns Bridge II, allowing NIPSCO to leverage provisions of the IRA to monetize tax credits for the benefit of customers in lieu of utilizing tax equity partnerships. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project. See "Executive Summary - Energy Transition" in this Management's Discussion for additional information. We expect the majority of our remaining BTA and PPA projects to be placed in service in 2024 and 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**NiSource Inc.**  
**NIPSCO Operations**

| Remaining Renewables Projects | Transaction Type | Technology      | Nameplate Capacity<br>(MW) | Storage Capacity (MW) |
|-------------------------------|------------------|-----------------|----------------------------|-----------------------|
| Cavalry                       | BTA              | Solar & Storage | 200                        | 60                    |
| Dunns Bridge II               | BTA              | Solar & Storage | 435                        | 75                    |
| Fairbanks                     | BTA              | Solar           | 250                        | —                     |
| Gibson                        | BTA              | Solar           | 200                        | —                     |
| Green River                   | 20 year PPA      | Solar           | 200                        | —                     |
| Templeton                     | 20 year PPA      | Wind            | 200                        | —                     |
| Carpenter                     | 20 year PPA      | Wind            | 200                        | —                     |
| Appleseed                     | 20 year PPA      | Solar           | 200                        | —                     |

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

### NiSource Inc.

#### Liquidity and Capital Resources

We continually evaluate the availability of adequate financing to fund our ongoing business operations, working capital and core safety and infrastructure investment programs. Our financing is sourced through cash flow from operations and the issuance of debt and/or equity. External debt financing is provided primarily through the issuance of long-term debt, accounts receivable securitization programs and our \$1.85 billion commercial paper program, which is backstopped by our committed revolving credit facility with a total availability from third-party lenders of \$1.85 billion.

- On December 31, 2023, we consummated the NIPSCO Minority Interest Transaction in exchange for a capital contribution of \$2.16 billion in cash. See Note 4, "Noncontrolling Interests," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.
- On January 3, 2024, we applied the proceeds from the NIPSCO Minority Interest Transaction and repaid in full our \$1.0 billion term credit agreement and our \$650.0 million term credit agreement. On March 14, 2024 we completed the issuance and sale of \$650.0 million of 5.35% senior unsecured notes maturing in 2034, which resulted in approximately \$642.6 million of net proceeds after discount and debt issuance costs. See Note 7, "Short-Term Borrowings," and Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.
- On February 22, 2024, we entered into an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of \$900.0 million through December 31, 2025. As of March 31, 2024, the ATM program (including the impact of the forward sale agreement) had approximately \$700.0 million of equity available for issuance. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.
- On March 15, 2024, we redeemed all 20,000 outstanding shares of Series B Preferred Stock for a redemption price of \$25,000 per share and all 20,000 outstanding shares of Series B-1 Preferred Stock for a redemption price of \$0.01 per share or \$500.0 million in total. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2024 and beyond.

The following table summarizes our cash flow activities:

| (in millions)                | Three Months Ended March 31, |          |                        |
|------------------------------|------------------------------|----------|------------------------|
|                              | 2024                         | 2023     | Change in 2024 vs 2023 |
| <b>Cash from (used for):</b> |                              |          |                        |
| Operating Activities         | \$ 456.2                     | \$ 683.4 | \$ (227.2)             |
| Investing Activities         | (723.0)                      | (727.8)  | 4.8                    |
| Financing Activities         | (1,873.8)                    | 117.3    | (1,991.1)              |

#### Operating Activities

The decrease in cash from operating activities was primarily driven by year over year change in accounts receivable collections, inventory and exchange gas receivables due to the impact of lower gas prices, partially offset by higher accounts payables and net income.

#### Investing Activities

Investing activities have been consistent year over year, and is primarily comprised of capital expenditures related to system growth and reliability and milestone payments to renewable generation asset developers for certain of our BTA projects.

As we evaluate progress on the renewable generation projects, we remain on track to make capital investments totaling \$3.3 billion to \$3.5 billion during the 2024 period. We also expect to invest approximately \$16.4 billion during the 2024-2028 period, including capital investments to support our generation transition strategy. These forecasted capital investments are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

### NiSource Inc.

**Regulatory Capital Programs.** We are in the process of upgrading and modernizing our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2024, we continue to move forward on core infrastructure and environmental investment programs supported by complementary regulatory and customer initiatives across all six states of our operating area.

The following table describes the most recent vintage of our regulatory programs to recover infrastructure replacement and other federally mandated compliance investments:

(in millions)

| Company                             | Program          | Capital Investment | Investment Period | Filing Date | Costs Covered <sup>(1)</sup>                                                                                                                                                                           |
|-------------------------------------|------------------|--------------------|-------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Approved</b>                     |                  |                    |                   |             |                                                                                                                                                                                                        |
| Columbia of Ohio                    | IRP - 2024       | \$ 753.5           | 4/21-12/23        | 2/26/2024   | Replacement of hazardous service lines, cast iron, wrought iron, uncoated steel, and bare steel pipe.                                                                                                  |
| Columbia of Ohio <sup>(2)</sup>     | PHMSA IRP - 2024 | \$ 14.6            | 1/23-12/23        | 2/28/2024   | Investments necessary to comply with the PHMSA Mega Rule.                                                                                                                                              |
| Columbia of Ohio                    | CEP - 2023       | \$ 482.1           | 4/21-12/22        | 2/24/2023   | Assets not included in the IRP.                                                                                                                                                                        |
| NIPSCO - Gas                        | TDSIC - 7        | \$ 444.9           | 1/23-8/23         | 10/31/2023  | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.                                                                           |
| NIPSCO - Gas                        | FMCA - 2         | \$ 49.0            | 1/23-9/23         | 11/29/2023  | Project costs to comply with federal mandates.                                                                                                                                                         |
| Columbia of Virginia                | SAVE - 2024      | \$ 166.5           | 10/22-12/24       | 8/15/2023   | Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions. Includes costs associated with Advanced Leak Detection and Repair. |
| Columbia of Kentucky                | SMRP - 2023      | \$ 41.6            | 1/23-12/23        | 10/14/2022  | Replacement of mains and inclusion of system safety investments.                                                                                                                                       |
| NIPSCO - Electric <sup>(3)</sup>    | TDSIC - 3        | \$ 144.8           | 7/22-1/23         | 3/28/2023   | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.                                                                           |
| <b>Pending Commission Approval</b>  |                  |                    |                   |             |                                                                                                                                                                                                        |
| NIPSCO - Gas                        | TDSIC - 8        | \$ 514.1           | 1/23-2/24         | 4/30/2024   | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.                                                                           |
| Columbia of Ohio                    | CEP - 2024       | \$ 767.0           | 4/21-12/23        | 2/26/2024   | Assets not included in the IRP or PHMSA IRP.                                                                                                                                                           |
| Columbia of Kentucky <sup>(4)</sup> | SMRP - 2024      | \$ 81.9            | 1/23-12/24        | 10/13/2023  | Replacement of mains and inclusion of system safety investments.                                                                                                                                       |

<sup>(1)</sup>Programs do not include any costs already included in base rates.

<sup>(2)</sup> Columbia of Ohio received a final order with rates effective May 2024.

<sup>(3)</sup>Coincident with the implementation of Step 1 and Step 2 base rates in Cause No. 45772, TDSIC-3 cumulative capital investment of \$554.7 million at Step 1 and \$74.2 million at Step 2 moved out of this tracker and into base rates.

<sup>(4)</sup>Columbia of Kentucky placed these rates into effect, as of January 3, 2024, subject to refund, depending on a Commission order ruling on the Application.

### Financing Activities

**Common Stock and Preferred Stock.** Refer to Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock.

**Long-Term Debt.** Refer to Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on long-term debt activity.

**Short-Term Debt.** Refer to Note 7, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

**Noncontrolling Interest.** We received \$2.16 billion upon closing the NIPSCO Minority Interest Transaction. Proceeds from the closing of the NIPSCO Minority Interest Transaction were used to repay short-term debt, including our credit agreements. Under the terms of the LLC Agreement, BIP is obligated to provide up to \$250 million in additional capital contributions over a three-year period after the Closing, which obligation is backed by an Equity Commitment Letter from Blackstone. BIP may contribute additional capital above \$250 million as necessary to maintain its percentage ownership interest. Refer to Note 4,

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**
**NiSource Inc.**

"Noncontrolling Interests," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on contributions from noncontrolling interest activity.

**Sources of Liquidity**

The following table displays our liquidity position as of March 31, 2024 and December 31, 2023:

| <i>(in millions)</i>                                | <b>March 31, 2024</b> |                | December 31, 2023 |                |
|-----------------------------------------------------|-----------------------|----------------|-------------------|----------------|
| <b>Current Liquidity</b>                            |                       |                |                   |                |
| Revolving Credit Facility                           | \$                    | 1,850.0        | \$                | 1,850.0        |
| Accounts Receivable Programs <sup>(1)</sup>         |                       | 419.8          |                   | 383.9          |
| <i>Less:</i>                                        |                       |                |                   |                |
| Commercial Paper                                    |                       | 1,222.3        |                   | 1,061.0        |
| Accounts Receivable Programs Utilized               |                       | —              |                   | 337.6          |
| Letters of Credit Outstanding Under Credit Facility |                       | 9.9            |                   | 9.9            |
| <i>Add:</i>                                         |                       |                |                   |                |
| Cash and Cash Equivalents                           |                       | 102.2          |                   | 2,245.4        |
| <b>Net Available Liquidity</b>                      | <b>\$</b>             | <b>1,139.8</b> | <b>\$</b>         | <b>3,070.8</b> |

<sup>(1)</sup>Represents the lesser of the seasonal limit or maximum borrowings supportable by the underlying receivables.

**Debt Covenants.** We are subject to a financial covenant under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70.0%. As of March 31, 2024, the ratio was 57.0%.

**Credit Ratings.** The credit rating agencies periodically review our ratings, taking into account factors such as our capital structure and earnings profile. The following table includes our and NIPSCO's credit ratings and ratings outlook as of March 31, 2024. There were no changes to the below credit ratings or outlooks since February 2020.

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 assigning rating organization.

|                  | S&P    |         | Moody's |         | Fitch  |         |
|------------------|--------|---------|---------|---------|--------|---------|
|                  | Rating | Outlook | Rating  | Outlook | Rating | Outlook |
| NiSource         | BBB+   | Stable  | Baa2    | Stable  | BBB    | Stable  |
| NIPSCO           | BBB+   | Stable  | Baa1    | Stable  | BBB    | Stable  |
| Commercial Paper | A-2    | Stable  | P-2     | Stable  | F2     | Stable  |

Certain of our subsidiaries have agreements that contain "ratings triggers" that require increased collateral if our credit rating or the credit ratings of certain of our subsidiaries are below investment grade. These agreements are primarily for insurance purposes and for the physical purchase or sale of power. As of March 31, 2024, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$108.6 million. In addition to agreements with ratings triggers, there are other agreements that contain "adequate assurance" or "material adverse change" provisions that could necessitate additional credit support such as letters of credit and cash collateral to transact business.

**Equity.** Our authorized capital stock consists of 770,000,000 shares, \$0.01 par value, of which 750,000,000 are common stock and 20,000,000 are preferred stock. As of March 31, 2024, 448,197,604 shares of common stock were outstanding.

**Contractual Obligations.** A summary of contractual obligations is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Except for our March 2024 debt issuance, there were no additional material changes from year-end during the three months ended March 31, 2024. Refer to Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuances.

**Guarantees, Indemnities and Other Off Balance Sheet Arrangements.** We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

**NiSource Inc.**

business. Such agreements include guarantees and stand-by letters of credit. Refer to Note 15, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**

**NiSource Inc.**

**Regulatory, Environmental and Safety Matters**

Cost Recovery and Trackers

Comparability of our line item operating results is impacted by regulatory trackers that allow for the recovery in rates of certain costs such as those described below. Increases in the expenses that are subject to approved regulatory tracker mechanisms generally lead to increased regulatory assets, which ultimately result in a corresponding increase in operating revenues and, therefore, have essentially no impact on total operating income results. Certain approved regulatory tracker mechanisms allow for abbreviated regulatory proceedings in order for the operating companies to quickly implement revised rates and recover associated costs.

A portion of the Columbia Operations and NIPSCO Operations revenue is related to the recovery of gas costs, the review and recovery of which occurs through standard regulatory proceedings. All states in our operating area require periodic review of actual gas procurement activity to determine prudence and to confirm the recovery of prudently incurred energy commodity costs supplied to customers.

We recognize that energy efficiency reduces emissions, conserves natural resources and saves our customers money. Our gas distribution companies offer programs such as energy efficiency upgrades, home checkups and weatherization services. The increased efficiency of natural gas appliances and improvements in home building codes and standards contributes to a long-term trend of declining average use per customer. While we are looking to expand offerings so the energy efficiency programs can benefit as many customers as possible, our Columbia Operations and NIPSCO Operations have pursued changes in rate design to more effectively match recoveries with costs incurred. Columbia of Ohio has adopted a straight fixed variable rate design for residential customers that closely links the recovery of fixed costs with fixed charges. Columbia of Maryland and Columbia of Virginia have regulatory approval for weather and revenue normalization adjustments for certain customer classes, which adjust monthly revenues that exceed or fall short of approved levels. Columbia of Pennsylvania continues to operate its pilot residential weather normalization adjustment and also has a fixed customer charge. This weather normalization adjustment only adjusts revenues when actual weather compared to normal varies by more than 3%. Columbia of Kentucky incorporates a weather normalization adjustment for certain customer classes and also has a fixed customer charge.

A portion of the NIPSCO Operations revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through a FAC, which is updated quarterly to reflect actual costs incurred to supply electricity to customers.

While increased efficiency of electric appliances and improvements in home building codes and standards has similarly impacted the average use per electric customer in recent years, NIPSCO Operations expects future growth in per customer usage as a result of increasing electric applications. Further growth is anticipated as electric vehicles become more prevalent. These ongoing changes in use of electricity will likely lead to development of innovative rate designs, and NIPSCO Operations will continue efforts to design rates that increase the certainty of recovery of fixed costs.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

### NiSource Inc.

#### Regulatory, Environmental and Safety Matters

#### Rate Case Actions

The following table describes current rate case actions as applicable in each of our jurisdictions net of tracker impacts:

(in millions)

| Company                                 | Approved ROE   | Requested Incremental Revenue | Approved Incremental Revenue | Filing Date        | Rates Effective |
|-----------------------------------------|----------------|-------------------------------|------------------------------|--------------------|-----------------|
| <b>Approved Rate Cases</b>              |                |                               |                              |                    |                 |
| Columbia of Pennsylvania <sup>(1)</sup> | None specified | \$ 82.2                       | \$ 44.5                      | March 18, 2022     | December 2022   |
| Columbia of Maryland <sup>(1)</sup>     | None specified | \$ 6.5                        | \$ 3.9                       | May 12, 2023       | December 2023   |
| Columbia of Kentucky <sup>(2)</sup>     | 9.35 %         | \$ 26.7                       | \$ 18.3                      | May 28, 2021       | January 2022    |
| Columbia of Virginia <sup>(3)</sup>     | None specified | \$ 40.5                       | \$ 25.8                      | April 29, 2022     | October 2022    |
| Columbia of Ohio                        | 9.60 %         | \$ 221.4                      | \$ 68.3                      | June 30, 2021      | March 2023      |
| NIPSCO - Gas <sup>(4)</sup>             | 9.85 %         | \$ 109.7                      | \$ 71.8                      | September 29, 2021 | September 2022  |
| NIPSCO - Electric <sup>(5)</sup>        | 9.80 %         | \$ 291.8                      | \$ 261.9                     | September 19, 2022 | August 2023     |
| <b>Pending Rate Cases</b>               |                |                               |                              |                    |                 |
| NIPSCO - Gas <sup>(6)</sup>             | In process     | \$ 161.9                      | In process                   | October 25, 2023   | September 2024  |
| Columbia of Pennsylvania                | In process     | \$ 124.1                      | In process                   | March 15, 2024     | December 2024   |
| Columbia of Virginia <sup>(7)</sup>     | In process     | \$ 37.2                       | In process                   | April 29, 2024     | October 2024    |

<sup>(1)</sup>No approved ROE is identified for this matter since the approved revenue increase is the result of a black box settlement under which parties agree upon the amount of increase.

<sup>(2)</sup>The approved ROE for natural gas capital riders (e.g., SMRP) is 9.275%.

<sup>(3)</sup>Columbia of Virginia's rate case resulted in a black box settlement, representing a settlement to a specific revenue increase but not a specified ROE. The settlement provides use of a 9.70% ROE for future SAVE and filings.

<sup>(4)</sup>New rates were implemented in 2 steps, with implementation of Step 1 rates in September 2022. The Step 2 rates were filed on February 21, 2023, with rates effective March 2023.

<sup>(5)</sup>New rates will be implemented in 2 steps, with implementation of Step 1 rates in August 2023 and Step 2 rates effective in March 2024, with service provided in February 2024.

<sup>(6)</sup>On March 20, 2024, NIPSCO filed a unanimous settlement agreement that, if approved, will result in increased incremental revenue of \$120.9 million. Pending the approval of the settlement agreement, new rates expected to be implemented in 2 steps, with implementation of Step 1 rates to be effective in September 2024 and Step 2 Rates in March 2025.

<sup>(7)</sup>Rates expected to be effective on an interim basis and subject to refund.

#### PHMSA Regulations

We are committed to reducing the environmental impact of our business and promoting sustained environmental stewardship. We seek proactive opportunities for improved environmental performance and are committed to complying with environmental laws and regulations. To fulfill our vision of being a trusted energy provider, we follow safety practices recommended by leading industry organizations. These practices help us identify and address potential risks, resulting in improvements to our operational and environmental safety.

#### PHMSA Legislation and Regulations

Under the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020, PHMSA has revised, and continues to revise, the pipeline safety regulations to require operators to update, as needed, their existing distribution integrity management plans, emergency response plans, and operation and maintenance plans. PHMSA has also adopted new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to over-pressurization.

In May 2023, PHMSA proposed numerous regulatory revisions under the PIPES Act of 2020 to minimize methane emissions and improve public safety. Under these proposed revisions, our subsidiaries would be required to detect and repair an increased number of gas leaks, reduce the time to repair leaks, increase leak survey frequency, and expand our existing advanced leak detection program. We continue to evaluate the proposed rule for additional impacts on our business.

In September 2023, PHMSA proposed additional regulatory revisions under the PIPES Act of 2020 to enhance distribution system safety through equipment and procedural expectations. Operators will be required to incorporate additional protections for low pressure distribution systems that prevent over-pressurization, amend construction procedures designed to minimize the risk of incidents caused by system over-pressurization, and update distribution integrity management programs to cover and prepare for over-pressurization incidents.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

**NiSource Inc.**

**Regulatory, Environmental and Safety Matters**

On November 30, 2023, the House Transportation & Infrastructure Committee introduced new pipeline safety reauthorization legislation known as the PIPES Act of 2023 to reauthorize PHMSA's safety programs for the next four years. The proposed legislation includes several priorities for our company, including excavation damage prevention grants to improve states' damage prevention programs, a PHMSA study on blending hydrogen in distribution pipelines, new criminal penalties for intentionally damaging pipeline facilities, and creation of a Voluntary Information Sharing System to allow for industry participants to share learnings and best practices in a protected manner across the pipeline industry.

CCR Regulation

In May 2023, the EPA proposed changes to the CCR regulations for inactive surface impoundments at inactive facilities, referred to as "legacy CCR surface impoundments." The EPA is also proposing to extend a subset of requirements in the CCR regulations to areas not previously subject to the CCR regulations, referred to as CCR management units ("CCRMUs"). In November 2023, the EPA issued a Notice of Data Availability seeking comment on updated lists of legacy impoundments and CCRMUs, as well as a risk assessment for legacy impoundments and CCRMUs. On April 25, 2024 new EPA rules have been issued and we are evaluating the potential impact on our business.

Climate Change Issues

**Physical Climate Risks.** Increased frequency of severe and extreme weather events associated with climate change could materially impact our facilities, energy sales, and results of operations. We are unable to predict these events. However, we perform ongoing assessments of physical risk, including physical climate risk, to our business. More extreme and volatile temperatures, increased storm intensity and flooding, and more volatile precipitation leading to changes in lake and river levels are among the weather events that are most likely to impact our business. Efforts to mitigate these physical risks continue to be implemented on an ongoing basis.

**Transition Climate Risks.** We actively engage with and monitor the impact that proposed legislative and regulatory programs related to GHG emissions, at both the federal and state levels, would have on our business.

Regarding federal policies, we continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act ("IIJA"), IRA, EPA's final methane regulations for the oil and natural gas industry, and EPA's proposed Waste Emissions Charge for Petroleum and Natural Gas Systems. We have identified potential opportunities associated with the IIJA and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the IIJA include new federal funding for power grid infrastructure and resiliency investments, new and existing energy efficiency and weatherization programs, electric vehicle infrastructure for public chargers and additional LIHEAP funding. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

The United States is a party to the Paris Agreement, an international treaty through which parties set nationally determined contributions to reduce GHG emissions, build resilience, and adapt to the impacts of climate change. The Biden Administration has set a target for the United States to achieve a 50%-52% GHG reduction from 2005 levels by 2030, which supports the President's goals to create a carbon-free power sector by 2035 and net zero emissions economy no later than 2050. There are many potential pathways to reach these goals.

In December 2023, the U.S. Department of Energy ("DOE") amended the congressionally-mandated efficiency standards for residential home furnaces manufactured after December 2028. We are assessing the potential impacts associated with these new standards.

The DOE has selected two hydrogen hubs in our territories as recipients of funding designated in the IIJA to support the development of regional clean hydrogen hubs. The two hubs are the Midwest Alliance for Clean Hydrogen Hub (MachH2), with potential projects across Illinois, Indiana, Kentucky, Michigan, Missouri, and Wisconsin; and the Appalachian Regional Clean Hydrogen Hub (ARCH2), with potential investments across West Virginia, Ohio, Kentucky, and Pennsylvania. Work is underway to determine what roles our companies may have with these hydrogen hubs.

In May 2023, the EPA released a package of proposed regulatory actions to reduce carbon dioxide emissions from new natural gas-fired electric generating units (EGUs), existing natural gas-fired EGUs, and existing coal-fired EGUs. The EPA finalized the rules on April 25, 2024. We are reviewing the potential impacts of these rules on our business.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**NiSource Inc.****Regulatory, Environmental and Safety Matters**

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Energy Innovation Act, enacted into law in April 2022, and effective July 1, 2022, allows natural gas utilities to supply alternative forms of gas that meet certain standards and reduce emissions intensity. The Act also provides that the costs of enhanced leak detection and repair may be added to a utility's plan to identify proposed eligible infrastructure replacement projects and related cost recovery mechanisms, known as the SAVE Plan. Furthermore, under the Act, utilities can recover eligible biogas supply infrastructure costs on an ongoing basis. The provisions of these laws may provide opportunities for Columbia of Virginia as it participates in the transition to a lower carbon future.

The Climate Solutions Now Act of 2022 requires Maryland to reduce GHG emissions by 60% by 2031 (from 2006 levels), and it requires the state to reach net zero emissions by 2045. The Maryland Department of the Environment adopted a plan to achieve its 2031 goal and is required to adopt a plan for their 2045 net zero goal by 2030. The Act also enacts a state policy to move to broader electrification of both existing buildings and new construction, and requires the Public Service Commission ("PSC") to complete a study assessing the capacity of gas and electric distribution systems to successfully serve customers under a transition to a highly electrified building sector. The PSC released their report on December 29, 2023, and concluded that high levels of electrification can be handled by Maryland's electric systems through 2031. The Maryland Department of the Environment issued proposed Building Energy Performance Standards (BEPS), which would require net zero direct greenhouse gas emissions from large buildings by 2040 with interim targets. Columbia of Maryland is advocating for compliance pathways that use RNG, hydrogen, and emissions offsets. Separately, the PSC has also initiated a proceeding related to Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland's Gas Companies. Columbia of Maryland will continue to monitor these matters, but we cannot predict their final impact on our business at this time.

NIPSCO Gas, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky each filed petitions to implement the Green Path Rider, which is a voluntary rider allowing customers to opt in and offset either 50% or 100% of their natural gas related emissions. To reduce the emissions, the utilities will purchase RNG attributes and carbon offsets to match the usage for customers opting into the program. After reaching settlement with other parties in September 2022, NIPSCO agreed to add a third tier to offset 25% of customer usage. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. Columbia of Virginia received a final order in May 2023, approving the Green Path Rider and began enrolling customers in September 2023. The petitions filed by Columbia of Maryland, Columbia of Pennsylvania, and Columbia of Kentucky were rejected and have not been implemented as of March 31, 2024. Additionally, NIPSCO Electric has a voluntary Green Power Rider program in place that allows customers to designate a portion or all their monthly electric usage to come from power generated by renewable energy sources.

**Net Zero Goal.** In November 2022, we announced a goal of net zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 GHG emissions ("Net Zero Goal"). Our Net Zero Goal builds on greenhouse gas emission reductions achieved to-date and demonstrates that continued execution of our long-term business plan will drive further greenhouse gas emission reductions. We remain on track to achieve previously announced interim greenhouse gas emission reduction targets by reducing fugitive methane emissions from main and service lines by 50% from 2005 levels by 2025 and reducing Scope 1 GHG emissions from company-wide operations by 90% from 2005 levels by 2030. We plan to achieve our Net Zero Goal primarily through continuation and enhancement of existing programs, such as retiring and replacing coal-fired electric generation with low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak-detection technologies. In addition, we plan to advance other low- and zero-emission energy resources and technologies, which may include hydrogen, renewable natural gas, long-duration storage, and/or deployment of carbon capture and utilization technologies, if and when these become technologically and economically feasible. Carbon offsets and renewable energy credits may also be used to support achievement of our Net Zero Goal. As of the end of 2023, we had reduced Scope 1 GHG emissions by approximately 72% from 2005 levels.

Our greenhouse gas emissions projections, including achieving a Net Zero Goal, are subject to various assumptions that involve risks and uncertainties. Achievement of our Net Zero Goal by 2040 will require supportive regulatory and legislative policies, favorable stakeholder environments and advancement of technologies that are not currently economical to deploy. Should such regulatory and legislative policies, stakeholder environments or technologies fail to materialize, our actual results or ability to achieve our Net Zero Goal, including by 2040, may differ materially.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.****Market Risk Disclosures**

Risk is an inherent part of our businesses. The extent to which we properly and effectively identify, assess, monitor and manage each of the various types of risk involved in our businesses is critical to our profitability. We seek to identify, assess, monitor and manage, in accordance with defined policies and procedures, the following principal market risks that are involved in our businesses: commodity price risk, interest rate risk and credit risk. We manage risk through a multi-faceted process with oversight by the Risk Management Committee that requires constant communication, judgment and knowledge of specialized products and markets. Our senior management takes an active role in the risk management process and has developed policies and procedures that require specific administrative and business functions to assist in the identification, assessment and control of various risks. These may include, but are not limited to market, operational, financial, compliance and strategic risk types. In recognition of the increasingly varied and complex nature of the energy business, our risk management process, policies and procedures continue to evolve and are subject to ongoing review and modification.

**Commodity Price Risk**

Our gas and electric subsidiaries have commodity price risk primarily related to the purchases of natural gas and power. To manage this market risk, our subsidiaries use derivatives, including commodity futures contracts, swaps, forwards and options. We do not participate in speculative energy trading activity.

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited and does not bear significant exposure to earnings risk, since our current regulatory mechanisms allow recovery of prudently incurred purchased power, fuel and gas costs through the rate-making process, including gains or losses on these derivative instruments. These changes are included in the GCA and FAC regulatory rate-recovery mechanisms. If these mechanisms were to be adjusted or eliminated, these subsidiaries may begin providing services without the benefit of the traditional rate-making process and may be more exposed to commodity price risk. For additional information, see "Results and Discussion of Segment Operations" in this Management's Discussion.

Our subsidiaries are required to make cash margin deposits with their brokers to cover actual and potential losses in the value of outstanding exchange traded derivative contracts. The amount of these deposits, some of which are reflected in our restricted cash balance, may fluctuate significantly during periods of high volatility in the energy commodity markets.

Refer to Note 11, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of March 31, 2024 and December 31, 2023.

**Interest Rate Risk**

We are exposed to interest rate risk as a result of changes in interest rates on borrowings under our revolving credit agreement, commercial paper program, and accounts receivable programs, which have interest rates that are indexed to short-term market interest rates. Based upon average borrowings and debt obligations subject to fluctuations in short-term market interest rates, an increase (or decrease) in short-term interest rates of 100 basis points (1%) would have increased (or decreased) interest expense by \$2.6 million and \$4.5 million for the three months ended March 31, 2024 and 2023, respectively. We are also exposed to interest rate risk as a result of changes in benchmark rates that can influence the interest rates of future long-term debt issuances. From time to time we may enter into forward interest rate instruments to lock in long term interest costs and/ or rates.

**Credit Risk**

Due to the nature of the industry, credit risk is embedded in many of our business activities. Our extension of credit is governed by a Corporate Credit Risk Policy. In addition, Risk Management Committee guidelines are in place which document management approval levels for credit limits, evaluation of creditworthiness, and credit risk mitigation efforts. Exposures to credit risks are monitored by the risk management function, which is independent of commercial operations. Credit risk arises due to the possibility that a customer, supplier or counterparty will not be able or willing to fulfill its obligations on a transaction on or before the settlement date. For derivative-related contracts, credit risk arises when counterparties are obligated to deliver or purchase defined commodity units of gas or power to us at a future date per execution of contractual terms and conditions. Exposure to credit risk is measured in terms of both current obligations and the market value of forward positions net of any posted collateral such as cash and letters of credit.

We evaluate the financial status of our banking partners through the use of market-based metrics such as credit default swap pricing levels, and also through traditional credit ratings provided by major credit rating agencies.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

**NiSource Inc.**

**Other Information**

Critical Accounting Estimates

A summary of our critical accounting estimates is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. There were no material changes made as of March 31, 2024.

Recently Issued Accounting Pronouncements

Refer to Note 2, "Recent Accounting Pronouncements," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about recently issued and adopted accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are reported in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures."

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our chief executive officer and our chief financial officer are responsible for evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that financial information was processed, recorded and reported accurately.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the most recently completed quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II**

### **ITEM 1. LEGAL PROCEEDINGS**

For a description of our legal proceedings, see Note 15, "Other Commitments and Contingencies - B. Legal Proceedings," in the Notes to the Condensed Consolidated Financial Statements (unaudited).

### **ITEM 1A. RISK FACTORS**

Please refer to the risk factors set forth in Part I, Item 1A of the Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to such risk factors.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

#### **Director and Officer Trading Arrangements**

During the three months ended March 31, 2024, no director or Section 16 officer of the Company adopted, terminated or modified a 'Rule 10b5-1 trading arrangement' or 'non-Rule 10b5-1 trading arrangement,' as each term is defined in Item 408(a) of Regulation S-K.

**ITEM 6. EXHIBITS**

**NiSource Inc.**

- (3.1) Certificate of Elimination of the Company with respect to the Series B Preferred Stock and the Series B-1 Preferred Stock, dated March 18, 2024 (incorporated by reference to [Exhibit 3.1 to the NiSource Inc. Form 8-K](#) filed on March 18, 2024).
- (4.1) Form of 5.350% Notes due 2034 (incorporated by reference to [Exhibit 4.1 to the NiSource Inc. Form 8-K](#) filed on March 14, 2024).
- (10.1) Separation Agreement dated March 15, 2024, between NiSource Inc. and Donald Brown (incorporated by reference to [Exhibit 10.1 to the NiSource Inc. Form 8-K](#) filed on March 15, 2024).
- (10.2) Second Amended and Restated Limited Liability Company Agreement of NIPSCO Holdings II LLC, dated January 30, 2024 (incorporated by reference to [Exhibit 10.44 to NiSource Inc. Form 10-K](#) filed on February 21, 2024).
- (10.3) Form of 2024 CEO RSU Award Agreement (incorporated by reference to [Exhibit 10.1 of the NiSource Inc. Form 10-K](#) filed on February 21, 2024).
- (10.4) Form of 2024 CEO PSU Award Agreement (incorporated by reference to [Exhibit 10.2 of the NiSource Inc. Form 10-K](#) filed on February 21, 2024).
- (10.5) Form of RSU Award Agreement (for awards on or after 2024) (incorporated by reference to [Exhibit 10.3 of the NiSource Inc. Form 10-K](#) filed on February 21, 2024).
- (10.6) Form of PSU Award Agreement (for awards on or after 2024) (incorporated by reference to [Exhibit 10.48 of the NiSource Inc. Form 10-K](#) filed on February 21, 2024).
- (31.1) [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)\*
- (31.2) [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)\*
- (32.1) [Certification of Chief Executive Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(furnished herewith\).](#)\*
- (32.2) [Certification of Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(furnished herewith\).](#)\*
- (101.INS) Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- (101.SCH) Inline XBRL Schema Document
- (101.CAL) Inline XBRL Calculation Linkbase Document
- (101.LAB) Inline XBRL Labels Linkbase Document
- (101.PRE) Inline XBRL Presentation Linkbase Document
- (101.DEF) Inline XBRL Definition Linkbase Document
- (104) Cover page Interactive Data File (formatted as inline XBRL, and contained in Exhibit 101.)

\* Exhibit filed herewith.

\*\* Schedules and similar attachments to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the U.S. Securities and Exchange Commission (the "SEC") upon request

SIGNATURE

**NiSource Inc.**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NiSource Inc.

\_\_\_\_\_  
(Registrant)

Date: May 8, 2024

By:

/s/ Gunnar J. Gode

\_\_\_\_\_  
Gunnar J. Gode

Vice President, Chief Accounting Officer  
(Principal Accounting Officer)

**Certification Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lloyd M. Yates, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q of NiSource Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By:

/s/ Lloyd M. Yates

Lloyd M. Yates  
President and Chief Executive Officer

**Certification Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Shawn Anderson, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended March 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

By: /s/ Shawn Anderson  
Shawn Anderson  
Executive Vice President and Chief Financial Officer

**Certification Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of NiSource Inc. (the “Company”) on Form 10-Q for the year ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lloyd M. Yates, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Lloyd M. Yates

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Lloyd M. Yates

President and Chief Executive Officer

Date: May 8, 2024

**Certification Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of NiSource Inc. (the “Company”) on Form 10-Q for the quarter ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Shawn Anderson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Shawn Anderson

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Shawn Anderson  
Executive Vice President and Chief Financial Officer

Date: May 8, 2024