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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 22, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction
of incorporation or organization)

001-16189

Commission
file number

35-2108964

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

**801 East 86th Avenue
Merrillville, IN**

(Address of principal executive offices)

46410

(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 22, 2023, NiSource Inc. (the “Company”) reported its financial results for the year ended December 31, 2022. The Company’s press release, dated February 22, 2023, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit Number	Description
99.1	Press Release, dated February 22, 2023, issued by NiSource Inc.
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.)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: February 22, 2023

By:

/s/ Gunnar J. Gode

Gunnar J. Gode
Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer)



FOR IMMEDIATE RELEASE:
February 22, 2023

NiSource announces 2022 results, raises 2023 guidance

- 2022 diluted NOEPS tops guidance range; 2023 guidance range increased
- NIPSCO minority interest sale launched and on track for 2023

MERRILLVILLE, Ind. - NiSource (NYSE: NI) today announced, on a GAAP basis, 2022 net income available to common shareholders was \$749.0 million, or \$1.70 diluted earnings per share, compared to net income available to common shareholders of \$529.8 million, or \$1.27 diluted earnings per share, for the same period of 2021.

NiSource also reported 2022 non-GAAP net operating earnings available to common shareholders of \$648.2 million, or \$1.47 diluted earnings per share compared to non-GAAP net operating earnings available to common shareholders of \$571.2 million, or \$1.37 diluted earnings per share, for 2021. Schedule 1 of this press release contains a complete reconciliation of GAAP measures to non-GAAP measures.

Increasing 2023 earnings guidance

NiSource reaffirms its commitment to annual non-GAAP NOEPS growth of 6-8% through 2027. The Company is increasing its 2023 guidance to \$1.54 to \$1.60 non-GAAP NOEPS.

“Delivering earnings above our 2022 guidance and raising our 2023 guidance range are a testament to our team’s sustained and consistent execution of our strategy,” said NiSource President and CEO Lloyd Yates. “Our top tier and achievable growth plan unveiled at our 2022 Investor Day puts us on a path to drive compelling total shareholder returns of 9% to 11% annually. Already approved investments are the foundation of the plan that enhance the safety, reliability and sustainability of our systems to support new and existing customers.”

Yates continued, “We have also officially launched our sale process for a minority interest in NIPSCO, which is expected to de-risk our financing plan and result in a strong balance sheet that positions us for long-term success. As we look ahead, we remain focused on creating additional value for our shareholders and other stakeholders by continuing to optimize our cost profile and enhance operational excellence. I’d like to commend the strong execution of our talented and dedicated employees throughout 2022.”

2022 Operational and Financial Highlights

- Completed comprehensive business review, resulting in top tier plan to drive shareholder value with an expected 9-11% total shareholder return
- Maintained strong regulatory execution throughout the NiSource footprint
- Continued focus on operational excellence, efficiency and enhanced safety

- Built long-term plan to invest up to \$1 billion in new technologies to change how the Company plans, schedules and executes work in the field and engages and provides service to customers

Fourth Quarter 2022 and Recent Business Highlights

Northern Indiana Public Service Company (NIPSCO) is actively working with stakeholders toward a settlement in the electric rate case filed on September 19. The case requests for a net incremental revenue increase of \$279.2 million to support renewable generation and associated transmission projects, grid modernization and customer-centric improvements.

Construction of the Indiana Crossroads Solar and Dunns Bridge Solar I projects is nearing completion, with both projects expected to be in service in the first half of 2023. Construction continues on the Indiana Crossroads II Wind project toward a projected start of commercial operations by the end of 2023. Initial construction work has begun on Dunns Bridge II and Cavalry Solar projects.

Gas distribution continues its regulatory execution with rate case settlements approved in Ohio, Pennsylvania and Maryland. Also, a proposed stipulation and recommendation was filed in Virginia and is awaiting a final order.

NiSource reminds investors that it does not provide a GAAP equivalent of its earnings guidance due to the impact of unpredictable factors such as fluctuations in weather and other unusual and infrequent items included in GAAP results.

Additional information for the quarter ended December 31, 2022, is available on the Investors section of www.nisource.com, including segment and financial information and a presentation.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource's approximately 7,500 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability - North America Index. Additional information about NiSource, its investments in modern infrastructure and systems, its commitments and its local brands can be found at www.nisource.com. Follow us at www.facebook.com/nisource, www.linkedin.com/company/nisource or www.twitter.com/nisourceinc. The content of these websites is not incorporated by reference into this document or any other report or document NiSource files with the SEC. NI-F

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FOR ADDITIONAL INFORMATION

<u>Media</u>	<u>Investors</u>	
Dave Rau	Randy Hulen	Christopher Turnure
Corporate Media Relations	VP, Investor Relations and Treasurer	Director, Investor Relations
(614) 493-8657	(219) 647-5688	(614) 404-9426
drau@nisource.com	rghulen@nisource.com	cturnure@nisource.com

Forward-Looking Statements

This press release 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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 release 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 adapt to, and manage costs related to, advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, 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.

Regulation G Disclosure Statement

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, which is a non-GAAP financial measure as defined by the Securities and Exchange Commission's (SEC) Regulation G. The company includes this measure because management believes it permits investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. The company is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance to its GAAP equivalent without unreasonable efforts.

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

(in millions, except per share amounts)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
GAAP Net Income Available to Common Shareholders	\$ 230.8	\$ 152.2	\$ 749.0	\$ 529.8
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	(3.2)	13.7	(24.9)	1.2
FAC adjustment ⁽¹⁾	—	—	8.0	—
Operating Expenses:				
Greater Lawrence Incident	—	1.2	—	9.2
Plant retirement costs	—	1.9	—	14.1
NiSource Next initiative ⁽²⁾	—	2.6	3.3	24.7
Massachusetts Business related amounts ⁽³⁾	—	—	(105.0)	6.8
Total adjustments to operating income	(3.2)	19.4	(118.6)	56.0
Other Income (Deductions):				
Interest rate swap settlement gain	(10.0)	—	(10.0)	—
Income Taxes:				
Tax effect of above items ⁽⁴⁾	3.4	(4.9)	27.8	(14.6)
Total adjustments to net income	(9.8)	14.5	(100.8)	41.4
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	\$ 221.0	\$ 166.7	\$ 648.2	\$ 571.2
Diluted Average Common Shares	445.9	428.8	442.7	417.3
GAAP Diluted Earnings Per Share	\$ 0.52	\$ 0.36	\$ 1.70	\$ 1.27
Adjustments to diluted earnings per share	(0.02)	0.03	(0.23)	0.10
Non-GAAP Diluted Net Operating Earnings Per Share⁽⁵⁾	\$ 0.50	\$ 0.39	\$ 1.47	\$ 1.37

⁽¹⁾Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.

⁽²⁾Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

⁽³⁾2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.

⁽⁴⁾Represents income tax expense calculated using the statutory tax rates by legal entity.

⁽⁵⁾The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended December 31, 2022 and 2021 were \$0.5M and \$0.6M, respectively. The add-back for the twelve months ended December 31, 2022 and 2021 were \$2.0M and \$1.6M, respectively.

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 10, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

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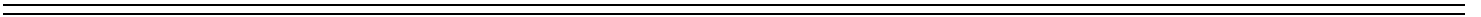
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 7.01. Regulation FD Disclosure.

On September 15, 2022, Northern Indiana Public Service Company (“NIPSCO”) filed a base rate proceeding at the Indiana Utility Regulatory Commission (the “Commission”), requesting approval of an increase in annual revenues of approximately \$395 million based upon a pro forma fully projected future test year ending December 31, 2023.

On March 10, 2023, NIPSCO and certain parties to the rate case filed a Settlement Agreement that, if approved, will resolve all issues in the rate case. If approved by the Commission, NIPSCO will be authorized to increase annual revenues by \$291.8 million. NIPSCO anticipates receipt of an Order on the Settlement Agreement by August 23, 2023 with implementation of new rates effective September 1, 2023. At this time, there may be parties that oppose the Settlement. Opposing parties have until March 31, 2023 to file any opposition to the proposed settlement.

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: March 13, 2023

By:

/s/ Kimberly S. Cuccia

Kimberly S. Cuccia

Senior Vice President, General Counsel and Corporate Secretary

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 14, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

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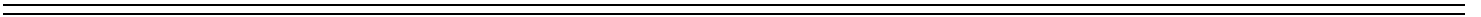
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

On March 14, 2023, the Board of Directors (the “Board”) of NiSource Inc. (the “Company”) approved the appointment of Shawn Anderson to Executive Vice President and Chief Financial Officer (“CFO”) at which time, Donald Brown the then-serving CFO, was appointed as the Company’s Executive Vice President and Chief Innovation Officer, in each case effective March 27, 2023. Also on March 14, 2023, the Board approved the appointment of Melody Birmingham as Executive Vice President and President NiSource Utilities, effective March 27, 2023.

Mr. Anderson, age 41, most recently served as the Company’s Senior Vice President, Strategy and Chief Risk Officer since May 24, 2022. Prior to this role, Mr. Anderson served as the Company’s Vice President, Strategy from January 2019 to May 2020 and the Company’s Treasurer and Chief Risk Officer from June 2016 to December 2018.

In connection with his appointment as the Company’s CFO, Mr. Anderson will receive an annual base salary of \$550,000, and his annual incentive award under the Company’s short-term cash-based incentive program will have a target payout of 75% of his annual base salary. Mr. Anderson will also receive an additional incremental grant under the Company’s long-term incentive program with a grant date fair value of \$425,000. This grant will be awarded as a combination of service-based restricted stock units (20%) and performance-based share units (80%), each vesting during the first quarter of 2026, unless otherwise determined by the Compensation and Human Capital Committee of the Board. Vesting of the performance-based share units is contingent on satisfaction of pre-determined performance criteria.

Ms. Birmingham, age 51, most recently served as the Company’s Executive Vice President, Chief Innovation Officer since July 1, 2022. Prior to this role, Ms. Birmingham was the Senior Vice President and Chief Administrative Officer at Duke Energy Corporation, a utility company (“Duke Energy”), since May 2021, where she was responsible for information technology, enterprise security, administrative services, and the supply chain

organization. Prior to that, she served as SVP and Chief Procurement Officer at Duke Energy from December 2018 until May 2021. From June 2015 until December 2018, she served as State President of Duke Energy's Indiana operations with responsibilities for the state utilities' financial performances and customer experiences, in addition to rates and regulatory strategy, government affairs, community relations and economic development. Prior to that position, Ms. Birmingham served as Senior Vice President of Midwest Delivery Operations for Duke Energy. Ms. Birmingham is also a board member of 1st Source Corporation and 1st Source Bank.

Ms. Birmingham remains subject to the same compensation arrangements and other agreements previously entered into in connection with her employment by the Company and as disclosed in the Company's Current Report on Form 8-K dated May 25, 2022.

Mr. Anderson and Ms. Birmingham are entitled to participate in the Company's benefit plans and the executive severance policy. In addition, Mr. Anderson and Ms. Birmingham are subject to a change in control and termination agreement with the Company that provides for a lump sum payment equal to two times his or her annual base salary and target incentive bonus compensation and 130% of COBRA continuation premiums due for the two-year period following termination. The executive severance policy and the form of the change in control and termination agreement were previously filed as Exhibits 10.47 and 10.23, respectively, to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and these benefits are described in the Company's definitive proxy statement, dated April 19, 2022.

Neither Mr. Anderson nor Ms. Birmingham has any direct or indirect material interest in any transaction or proposed transaction involving the Company required to be reported under Item 404(a) of Regulation S-K. There are no arrangements or understandings pursuant to which he or she was selected as an officer of the Company, and there are no family relationships requiring disclosure under Item 401(d) of Regulation S-K.

Item 7.01. Regulation FD Disclosure.

On March 14, 2023, the Board approved the appointment of Michael Luhrs as Executive Vice President, Strategy and Risk, Chief Commercial Officer of the Company, effective March 27, 2023.

On March 15, 2023, the Company issued a press release announcing the appointments of Messrs. Anderson, Brown, and Luhrs and Ms. Birmingham. A copy of that press release is furnished as an exhibit to this report. The information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	NiSource Inc. Press Release dated March 15, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: March 15, 2023

By:

/s/ Kimberly S. Cuccia

Kimberly S. Cuccia

Senior Vice President, General Counsel and Corporate Secretary

Exhibit 99.1



FOR IMMEDIATE RELEASE:

March 15, 2023

NiSource announces leadership changes and additions

MERRILLVILLE, Ind. - NiSource (NYSE: NI) today announced the appointment of Michael Luhrs to the NiSource executive leadership team, along with a reconfiguration of leadership responsibilities for several others on that team.

Michael Luhrs is joining NiSource's executive leadership team on March 27 as executive vice president of strategy and risk and the company's chief commercial officer. Luhrs will oversee economic development, strategy and risk management, sustainability, customer experience, corporate insurance and energy supply and optimization.

"Michael is an incredible leader who brings an unmatched depth of knowledge in customer experience and solutions," said NiSource President and CEO Lloyd Yates. "With this addition, we plan to leverage his experience to ensure alignment between the functions in his organization and our business strategy."

Luhrs joins NiSource from Alliant Energy, where he served as senior vice president of customer experience and strategy. Prior to that, he served as vice president of integrated grid strategy and solutions and vice president of market strategy and solutions at Duke Energy. Luhrs has held numerous positions with increasing responsibilities with Duke Energy, including vice president retail programs, general manager business excellence, general manager energy supply and finance, director nuclear generation finance and manager resource planning.

Luhrs has nearly 25 years of experience in the energy industry. He earned his Bachelor of Science in chemical engineering as well as Bachelors of Arts in business management and economics from North Carolina State University.

Coinciding with these changes, Shawn Anderson, currently senior vice president of risk and chief strategy officer, will move into the role of executive vice president and chief financial officer. Donald Brown, NiSource's current chief financial officer, will assume the role of executive vice president and chief innovation officer, replacing Melody Birmingham, who has been named as the company's executive vice president NiSource, and group president, NiSource utilities. In that role, Birmingham will lead the company's six-state gas and electric business segments.

Following these changes, the NiSource executive leadership will consist of the following members and roles, effective March 27:

- Shawn Anderson, executive vice president and chief financial officer
- Melanie Berman, senior vice president and chief human resources officer
- Melody Birmingham, executive vice president, NiSource and group president, NiSource utilities
- Donald Brown, executive vice president and chief innovation officer
- Kim Cuccia, senior vice president, general counsel and corporate secretary
- William Jefferson, executive vice president and chief safety officer

-
- Michael Luhrs, executive vice president of strategy and risk, and chief commercial officer
 - Lloyd Yates, chief executive officer and president

“All of the changes we are announcing today are designed to provide development opportunities for our leadership team and to provide them broad-based functional leadership experience,” Yates continued. “I’m proud of the bench strength of our senior leadership team, all of whom have extensive industry experience, and look forward to continuing to drive consistent results for our customers and investors.”

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource’s approximately 7,500 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability—North America Index. Additional information about NiSource, its investments in modern infrastructure and systems, its commitments and its local brands can be found at www.nisource.com. Follow us at www.facebook.com/nisource, www.linkedin.com/company/nisource or www.twitter.com/nisourceinc. The content of these websites is not incorporated by reference into this document or any other report or document NiSource files with the SEC. NI-F

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Media Contact:

Chris Garland, Chief Communications Officer, media@nisource.com

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 24, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

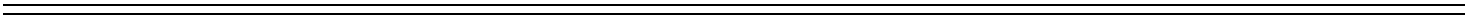
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 8.01. Other Events.

Senior Notes Due 2028

On March 21, 2023, NiSource Inc. (the “Company”) and BofA Securities, Inc., J.P. Morgan Securities LLC, Mizuho Securities USA LLC and Wells Fargo Securities, LLC, as representatives of the underwriters, entered into a Terms Agreement (the “Terms Agreement”) with respect to the offering and sale of \$750,000,000 aggregate principal amount of the Company’s 5.250% Notes due 2028 (the “Notes”) under the Company’s Registration Statement on Form S-3 (File No. 333-268084) (the “Registration Statement”). The Terms Agreement incorporates by reference an Underwriting Agreement, dated November 30, 2017, of the Company (as filed with the Securities and Exchange Commission on November 30, 2017).

The sale closed on March 24, 2023. The Notes were issued pursuant to an Indenture, as amended and supplemented, dated as of November 14, 2000, among the Company, in its own capacity and as successor to NiSource Finance Corp., and The Bank of New York Mellon, as successor trustee. The Company intends to use the aggregate net proceeds from the sale of the Notes for general corporate purposes, including to finance capital expenditures, additions to working capital and repayment of existing indebtedness.

A copy of the Company’s press release issued on March 24, 2023 announcing the closing of the offering is attached hereto as Exhibit 99.1.

A copy of the form of the Notes is filed as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated herein by reference. The Company is filing Exhibit 5.1 with this Current Report on Form 8-K in connection with the Registration Statement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
4.1	Form of 5.250% Notes due 2028
5.1	Opinion of Baker & McKenzie LLP
23.1	Consent of Baker & McKenzie LLP (included in Exhibit 5.1)
99.1	Press Release, dated March 24, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: March 24, 2023

By: /s/ Donald E. Brown
Donald E. Brown
Executive Vice President and Chief Financial Officer

Exhibit 4.1

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO NISOURCE INC. OR ITS AGENT OR AGENTS FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

No.: []
CUSIP No.: 65473PAN5
ISIN No.: US65473PAN50

\$[]

5.250% Notes due 2028

NiSource Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of [] Dollars on March 30, 2028.

Interest Payment Dates: March 30 and September 30, beginning September 30, 2023.

Record Dates: (i) if all of the Notes are in book-entry form represented by one or more Global Securities, the Business Day immediately preceding the applicable Interest Payment Date and (ii) if any of the Notes are not in book-entry form represented by one or more Global Securities, on each March 15 and September 15 (whether or not a Business Day) (each such date in clauses (i) and (ii), a “Regular Record Date”).

Additional provisions of this Note are set forth on the other side of this Note.

Dated:

NISOURCE INC.

By: _____
Name: Kimberly S. Cuccia
Title: Senior Vice President, General Counsel and Corporate Secretary

By: _____
Name: Randy G. Hulen
Title: Vice President, Investor Relations and Treasurer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series referred to in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Authorized Officer

5.250% Notes due 2028

1. Interest

NiSource Inc., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the “Company”), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semiannually on March 30 and September 30 of each year, beginning September 30, 2023. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from March 24, 2023. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company will pay interest on overdue principal and premium at the above rate and will pay interest on overdue installments of interest at such rate to the extent lawful.

2. Method of Payment

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the Regular Record Date next preceding each Interest Payment Date even if Notes are canceled after the Regular Record Date and on or before the Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC, as Depositary.

3. Paying Agent and Security Registrar

Initially, the Trustee will act as Paying Agent and Security Registrar. The Company may appoint and change any Paying Agent or Security Registrar without notice to the Holders. The Company may act as Paying Agent or Security Registrar.

4. Indenture

The Company issued the Notes under an Indenture dated as of November 14, 2000, by and between the Company, in its own capacity and as successor to NiSource Finance Corp., and the Trustee (as successor trustee) (as amended and supplemented, the “Indenture”) and pursuant to an Officers’ Certificate of the Company dated March 24, 2023 (the “Officers’ Certificate”). The terms of the Notes include those stated in the Indenture and the Officers’ Certificate and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. sections 77aaa-77bbbb) as in effect on the date of the Officers’ Certificate (the “Act”). Capitalized terms used herein and defined in the Indenture but not defined herein have the respective meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders of Notes are referred to the Indenture and the Act for a statement of those terms.

The Notes are senior unsecured obligations of the Company. The Notes issued on the original issue date will be treated as a single class for all purposes under the Indenture. The Indenture contains covenants that limit the ability of the Company and its Subsidiaries (other than Utilities) to incur additional indebtedness and create liens on assets unless the total amount of all the secured debt would not exceed 10% of Consolidated Net Tangible Assets (excluding the Utilities). These covenants are subject to important exceptions and qualifications.

5. Optional Redemption

Prior to February 29, 2028 (one month prior to the maturity date of the Notes) (the “Par Call Date”), the Company will have the right to redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points less (b) interest accrued to the Redemption Date, and (2) 100% of the principal amount of the Notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to, but excluding, the Redemption Date.

On or after the Par Call Date, the Company will have the right to redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Trustee shall have no duty to calculate the Redemption Price.

6. Notice of Redemption

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depository's procedures) at least 10 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed in accordance with Section 106 of the Indenture. In the case of a partial redemption, selection of the Notes for redemption will be made pro rata, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. No Notes of a principal amount of \$2,000 or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of the original Note upon surrender for cancellation of the original Note. For so long as the Notes are held by DTC (or another depository), the redemption of the Notes shall be done in accordance with the policies and procedures of the depository. The Company will not know the exact Redemption Price until approximately two (2) to three (3) Business Days before the Redemption Date. Therefore, the notice of redemption will only describe how the Redemption Price will be calculated. Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date interest will cease to accrue on the Notes or portions thereof called for redemption.

7. Additional Notes

The Company may, without the consent of the Holders of the Notes, create and issue additional Notes ranking equally with the Notes in all respects, including having the same terms (except for the price to public, the issue date and the initial interest accrual date and the first Interest Payment Date, as applicable), so that such additional Notes shall be consolidated and form a single series with the Notes and shall have the same terms as to status, redemption or otherwise as the Notes. Such additional Notes will have the same CUSIP number as the Notes being authenticated on the date hereof, provided that such additional Notes are part of the same issue as the Notes being authenticated on the date hereof for U.S. federal income tax purposes. If such additional Notes are not part of the same issue for U.S. federal income tax purposes, such additional Notes must be issued with a separate CUSIP number. No additional Notes may be issued if an Event of Default has occurred and is continuing with respect to the Notes.

8. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of \$2,000 principal amount and integral multiples of \$1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Security Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Security Registrar need not register the transfer or exchange of any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) for a period of fifteen (15) Business Days before a selection of Notes to be redeemed.

9. Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of it for all purposes.

10. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee or the Paying Agent for payment.

11. Satisfaction and Discharge

Under the Indenture, the Company can terminate its obligations with respect to the Notes not previously delivered to the Trustee for cancellation when those Notes have become due and payable or will become due and payable at their Stated Maturity within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for giving notice of redemption. The Company may terminate its obligations with respect to the Notes by depositing with the Trustee, as funds in trust dedicated solely for that purpose, an amount sufficient to pay and discharge the entire indebtedness on the Notes. In that case, the Indenture will cease to be of further effect and the Company's obligations will

be satisfied and discharged with respect to the Notes (except as to the Company's obligations to pay all other amounts due under the Indenture and to provide certain Officers' Certificates and Opinions of Counsel to the Trustee). At the expense of the Company, the Trustee will execute proper instruments acknowledging the satisfaction and discharge.

12. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture may be amended with the written consent of the Holders of a majority in principal amount of the then Outstanding Securities of each series affected by such amendment, (ii) the Notes may be amended with the written consent of the Holders of at least a majority in principal amount of the Outstanding Notes and (iii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount of the Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee shall be entitled to amend the Indenture to, among other things, cure any ambiguity, defect or inconsistency, or to evidence the succession of another Person as obligor under the Indenture, or to add to the Company's covenants or to surrender any right or power conferred on the Company under the Indenture, or to add events of default, or to secure the Notes, or to evidence or provide for the acceptance or appointment by a successor Trustee or facilitate the administration of the trusts under the Indenture by more than one trustee, or to conform the Indenture to any amendment of the Act.

13. Defaults and Remedies

Under the Indenture, Events of Default include: (i) a default by the Company in the payment of any interest upon any Note and the continuance of such default for 60 days; (ii) a default by the Company in the payment of principal of or any premium on any Note when due at Maturity, on redemption, by declaration or otherwise, and the continuance of such default for three (3) Business Days; (iii) a default by the Company in the performance of or breach of any covenant or warranty in the Indenture and continuance of such default for 90 days after written notice has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 33% in principal amount of the Outstanding Notes; (iv) a default by the Company under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company, or the Company defaults under any mortgage, indenture or instrument under which there may be issued, secured or evidenced indebtedness constituting a failure to pay in excess of \$50,000,000 of the principal or interest when due and payable, subject to certain cure rights; or (v) certain events of bankruptcy, insolvency or reorganization involving the Company. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 33% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal or interest) if it determines that withholding notice is in the interest of the Holders.

14. Trustee Dealings with the Company

Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

15. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or the Trustee shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

16. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) signs the certificate of authentication on the other side of this Note in accordance with requirements set forth in the Indenture and the Officers' Certificate.

17. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

18. CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused the applicable CUSIP number to be printed on the Notes and has directed the Trustee to use such CUSIP number in any notice of redemption as a convenience to the Holders. To the extent such number has been issued, the Company has caused the applicable ISIN number to be similarly printed on the Notes and has similarly instructed the Trustee. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. Governing Law.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONTRARY CONFLICT OF LAWS OR CHOICE OF LAWS PROVISIONS OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION.

made to: The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Corporate Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below: I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code) (Insert assignee's soc. sec. or tax I.D. No.)

_____ and irrevocably appoint _____ agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Signature must be guaranteed

Signature

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.



Baker & McKenzie LLP

300 East Randolph Street, Suite 5000
Chicago, IL 60601
United States

Tel: +1 312 861 8000
Fax: +1 312 861 2899
www.bakermckenzie.com

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Shanghai
Singapore
Sydney
Taipei
Tokyo
Yangon

March 24, 2023

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410

Re: 5.250% Notes due 2028

**Europe, Middle East
& Africa**

Abu Dhabi
Almaty
Amsterdam
Antwerp
Bahrain
Baku
Barcelona
Berlin
Brussels
Budapest
Cairo
Casablanca
Doha
Dubai
Dusseldorf
Frankfurt/Main
Geneva
Istanbul
Jeddah*
Johannesburg
Kyiv
London
Luxembourg
Madrid
Milan
Munich
Paris
Prague
Riyadh*
Rome
Stockholm
Vienna
Warsaw
Zurich

Ladies and Gentlemen:

We have acted as counsel for NiSource Inc., a Delaware corporation (the “**Company**”), in connection with the issuance and sale of \$750,000,000 aggregate principal amount of the Company’s 5.250% Notes due 2028 (the “**Notes**”). The Notes were issued under that certain Indenture dated as of November 14, 2000 (as amended and supplemented to the date hereof, the “**Indenture**”) between the Company (as successor to NiSource Finance Corp.) and The Bank of New York Mellon, as successor trustee (the “**Trustee**”). The Notes were sold by the Company pursuant to a Terms Agreement, dated March 21, 2023 (the “**Terms Agreement**”), by and among the Company and the underwriters named therein.

The Notes were offered and sold by the Company pursuant to a registration statement on Form S-3ASR filed with the Securities and Exchange Commission (the “**Commission**”) on November 1, 2022 (Registration Number 333-268084) (the “**Registration Statement**”), as supplemented by that certain prospectus supplement dated March 21, 2023 (the “**Prospectus Supplement**”).

We have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of (i) the governing documents and agreements, as applicable, of the Company, (ii) the Registration Statement and all exhibits thereto, (iii) the Prospectus Supplement, (iv) certain resolutions of the Board of Directors of the Company, (v) the Indenture, (vi) the form of global note representing the Notes and (vii) such other corporate records, agreements, documents, instruments and certificates or comparable documents of public officials and officers and representatives of the Company as we have deemed necessary or appropriate for the expression of the opinions contained herein.

In making the foregoing examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies thereof and the authenticity of the originals of such latter documents.

As to various questions of fact material to the opinions expressed below, we have, without independent third party verification of their accuracy, relied in part, and to the extent we deem reasonably necessary or appropriate, upon the representations and warranties of the Company contained in such documents, records, certificates, instruments or representations furnished or made available to us by the Company and upon certificates of public officials.

The Americas

Bogota
Brasilia**
Buenos Aires
Caracas
Chicago
Dallas
Guadalajara
Houston
Juarez
Lima
Mexico City
Miami
Monterrey
New York
Palo Alto
Porto Alegre**
Rio de Janeiro**
San Francisco
Santiago
Sao Paulo**
Tijuana
Toronto
Valencia
Washington, DC
* Associated Firm
** In cooperation with
Trench, Rossi e Watanabe
Advogados



The opinion set forth below is subject to the following qualifications and exceptions:

1. The opinion expressed herein is subject to (i) laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization, liquidation, moratorium, and other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law), (iii) standards of commercial reasonableness and good faith, (iv) public policy and (v) concepts of comity.
2. The opinion expressed herein is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware. The Indenture and the Notes are governed by the laws of the State of New York.
3. We have assumed that all parties to the Indenture (other than the Company) have duly authorized, executed and delivered the Indenture and the Indenture is the valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms under the applicable laws of the State of New York.

Based on the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that the Notes have been duly authorized and executed by the Company and, when duly authenticated by the Trustee in accordance with the Indenture, and delivered to and paid for by the underwriters in accordance with the Terms Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms under the applicable laws of the State of New York.

We hereby consent to the filing of this opinion as an exhibit to the Company's Current Report on Form 8-K dated March 24, 2023 and to the reference to our firm under the caption "Legal Matters" in the Prospectus Supplement, which constitutes a part of the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated and we disclaim any undertaking to advise you of any subsequent change in the facts stated or assumed herein or any subsequent changes in applicable law.

Very truly yours,

/s/ Baker & McKenzie LLP

BAKER & MCKENZIE LLP

Exhibit 99.1



FOR IMMEDIATE RELEASE:

March 24, 2023

NiSource Closes on Bond Offering

MERRILLVILLE, Ind.—NiSource Inc. (NYSE: NI) (“NiSource”) closed today on its issuance of \$750 million principal amount of notes due March 30, 2028. The 5-year senior, unsecured notes priced at 99.829% of the aggregate principal amount, with a coupon rate of 5.25%. The notes will accrue interest payable semi-annually in arrears on March 30 and September 30 of each year, beginning September 30, 2023.

The net proceeds from the sale of the notes will be used for general corporate purposes, including to finance capital expenditures, additions to working capital and repayment of existing indebtedness.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource’s approximately 7,200 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability—North America Index. Additional information about NiSource, its investments in modern infrastructure and systems, its commitments and its local brands can be found at www.nisource.com. Follow us at www.facebook.com/nisource, www.linkedin.com/company/nisource or www.twitter.com/nisourceinc. The content of these websites is not incorporated by reference into this document or any other report or document NiSource files with the SEC. NI-F

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For additional information

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Investors

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Director, Investor Relations
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Forward Looking Statements

This press release 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”). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 release 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 adapt to, and manage costs related to, advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, many 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.

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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 3, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction
of incorporation or organization)

001-16189

Commission
file number

35-2108964

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

**801 East 86th Avenue
Merrillville, IN**

(Address of principal executive offices)

46410

(Zip Code)

Registrant's telephone number, including area code **(877) 647-5990**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 3, 2023, NiSource Inc. (the “Company”) reported its financial results for the year ended March 31, 2023. The Company’s press release, dated May 3, 2023, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated May 3, 2023, issued by NiSource Inc.
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.)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: May 3, 2023

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer
(Principal Accounting Officer)



FOR IMMEDIATE RELEASE:
May 3, 2023

NiSource announces first quarter 2023 results

- 2023 guidance and long-term growth commitments reaffirmed
- Regulatory progress continues with a NIPSCO electric rate case settlement that provides a balanced outcome for stakeholders
- NIPSCO minority interest sale launched and on track for 2023

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) today announced, on a GAAP basis, net income available to common shareholders for the three months ended March 31, 2023, of \$319.2 million, or \$0.71 diluted earnings per share, compared to net income available to common shareholders of \$413.0 million, or \$0.94 diluted earnings per share, for the same period of 2022.

NiSource also reported first quarter 2023 non-GAAP net operating earnings available to common shareholders of \$343.0 million, or \$0.77 diluted earnings per share compared to non-GAAP net operating earnings available to common shareholders of \$328.7 million, or \$0.75 diluted earnings per share, for the first quarter of 2022. Schedule 1 of this press release contains a complete reconciliation of GAAP measures to non-GAAP measures.

The Company reaffirms its non-GAAP NOEPS guidance of \$1.54 to \$1.60 in 2023 and growth of 6- 8% through 2027. Annual rate base growth of 8-10% is driven by \$15 billion of capital expenditures during the 2023-27 period.

"NiSource remains committed to delivering on our top-tier EPS growth plan," said NiSource President and CEO Lloyd Yates. "The settlement filed in NIPSCO's electric rate case is another example of the team's continued regulatory execution with balanced outcomes for stakeholders, and the sale of the NIPSCO minority interest remains on track for 2023. I'd also like to recognize our dedicated employees and contractors who worked tirelessly to ensure our communities received safe and reliable energy during the recent storms across our territories."

First Quarter 2023 and Recent Business Highlights

A settlement agreement has been filed in **Northern Indiana Public Service Company's (NIPSCO)** electric rate case. The settlement incorporates \$1.8 billion of incremental capital investments made on behalf of customers since 2019 for renewable generation projects, grid modernization and other customer-centric improvements. The settlement represents a \$292 million revenue increase. A final order is anticipated in August with rates effective in 2023 and 2024.

The Company's major energy transition investments in Indiana are proceeding according to plan. Construction of the Indiana Crossroads Solar and Dunns Bridge Solar I projects is nearing completion and work has begun on Dunns Bridge II and Cavalry Solar projects.

Gas distribution regulatory execution has also advanced with the Columbia Gas of Ohio rate case settlement approval and implementation during the first quarter. The Company's tracked infrastructure replacement programs are executing on plan for 2023, as highlighted by Ohio's

recently approved Infrastructure Replacement Program (IRP) authorizing recovery of \$316 million of capital investment.

NiSource reminds investors that it does not provide a GAAP equivalent of its earnings guidance due to the impact of unpredictable factors such as fluctuations in weather and other unusual and infrequent items included in GAAP results.

Additional information for the quarter ended March 31, 2023, is available on the Investors section of www.nisource.com, including segment and financial information and a presentation.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission.

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FOR ADDITIONAL INFORMATION

<u>Media</u>	<u>Investors</u>	
Lynne Evosevich	Christopher Turnure	Michael Weisenburger
Corporate Media Relations	Director, Investor Relations	Lead Analyst, Investor Relations
(724) 288-1611	(614) 404-9426	(614) 460-4888
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Forward-Looking Statements

This press release 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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 release 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, 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.

Regulation G Disclosure Statement

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders and diluted earnings per share, which are non-GAAP financial measures as defined by the SEC's Regulation G. The company includes these measures because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a

GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance to its GAAP equivalent without unreasonable efforts.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended March 31,	
	2023	2022
GAAP Net Income Available to Common Shareholders	\$ 319.2	\$ 413.0
Adjustments to Operating Income:		
Operating Revenues:		
Weather - compared to normal	32.3	(3.0)
Operating Expenses:		
NiSource Next initiative ⁽¹⁾	—	1.5
Massachusetts Business related amounts ⁽²⁾	—	(105.0)
Total adjustments to operating income	32.3	(106.5)
Income Taxes:		
Tax effect of above items ⁽³⁾	(8.5)	22.2
Total adjustments to net income	23.8	(84.3)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	\$ 343.0	\$ 328.7
Diluted Average Common Shares	447.1	441.4
GAAP Diluted Earnings Per Share	\$ 0.71	\$ 0.94
Adjustments to diluted earnings per share	0.06	(0.19)
Non-GAAP Diluted Net Operating Earnings Per Share⁽⁴⁾	\$ 0.77	\$ 0.75

⁽¹⁾Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

⁽²⁾2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident.

⁽³⁾Represents income tax expense calculated using the statutory tax rates by legal entity.

⁽⁴⁾The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for income allocated to participating securities and add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended March 31, 2023 and 2022 were \$0.4M and \$0.5M, respectively. The adjustment for the income allocated to participating securities for the three months ended March 31, 2023 and 2022 were \$(0.2)M and zero, respectively.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 23, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

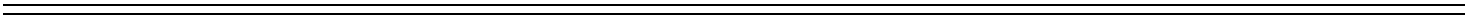
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange
Series A Corporate Units	NIMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On May 23, 2023, at the annual meeting of stockholders (the “Annual Meeting”) of NiSource Inc. (the “Company”), the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”) to increase the number of authorized shares of common stock from 600 million to 750 million and a corresponding increase to the number of authorized shares of all classes of capital stock from 620 million to 770 million.

The amendment to the Company’s Certificate of Incorporation was filed with the Secretary of State of the State of Delaware and became effective on May 23, 2023 and is attached hereto as Exhibit 3.1.

Item 5.07 Submission of Matters to a Vote of Security Holders.

Set forth below are the matters acted upon by the stockholders of the Company at the Annual Meeting held on May 23, 2023, as described in the Company’s Proxy Statement filed on April 12, 2023, and the final voting results for each matter.

Proposal 1: Election of Directors. The number of votes cast for and against each nominee, as well as the number of abstentions and broker non-votes, were as follows:

Name of Nominee	Votes For	Votes Against	Abstentions	Broker Non-Votes
Peter A. Altabef	314,974,374	9,094,012	722,008	29,549,068
Sondra L. Barbour	316,484,228	7,605,777	700,389	29,549,068
Theodore H. Bunting, Jr.	316,022,989	8,216,130	551,275	29,549,068
Eric L. Butler	298,137,716	25,909,380	743,298	29,549,068
Aristides S. Candris	312,712,828	11,388,641	688,925	29,549,068
Deborah A. Henretta	295,324,679	28,741,791	723,924	29,549,068
Deborah A.P. Hersman	320,027,497	4,086,065	676,832	29,549,068
Michael E. Jesanis	319,922,946	4,304,866	562,582	29,549,068
William D. Johnson	319,228,570	4,895,969	665,855	29,549,068
Kevin T. Kabat	293,546,598	30,632,893	610,903	29,549,068
Cassandra S. Lee	316,791,547	7,315,903	682,944	29,549,068
Lloyd M. Yates	319,603,565	4,525,976	660,853	29,549,068

Each nominee was elected.

Proposal 2: Approval of Named Executive Officer Compensation on an Advisory Basis. The number of votes cast for and against this matter, as well as the number of abstentions, were as follows:

Votes For	Votes Against	Abstentions
305,346,331	18,496,487	947,576

There were 29,549,068 broker non-votes as to Proposal 2.

Proposal 2 was approved on an advisory basis.

Proposal 3: Approval of the Frequency of Future Advisory Votes on Named Executive Officer Compensation on an Advisory Basis. The number of votes cast for a frequency of “One Year,” “Two Years,” and “Three Years,” as well as the number of abstentions, were as follows:

Votes For One Year	Votes For Two Years	Votes For Three Years	Abstentions
318,849,679	677,586	3,646,683	1,616,446

There were 29,549,068 broker non-votes as to Proposal 3.

For Proposal 3, in light of the vote of the stockholders on this proposal, the Company has determined to hold future advisory votes on named executive officer compensation every year until the next required stockholder vote on the frequency of such votes is held or until the Board of Directors otherwise determines that a different frequency for such advisory votes is in the best interests of the Company's stockholders.

Proposal 4: Ratification of the Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for 2023.
The number of votes cast for and against this matter, as well as the number of abstentions, were as follows:

Votes For	Votes Against	Abstentions
337,602,727	16,192,305	544,430

There were no broker non-votes as to Proposal 4.

Proposal 4 was approved.

Proposal 5: Approval of an Amendment to the Certificate of Incorporation to Increase the Number of Authorized Shares of Common Stock. The number of votes cast for and against this matter, as well as the number of abstentions, were as follows:

Votes For	Votes Against	Abstentions
342,920,633	10,286,634	1,132,195

There were no broker non-votes as to Proposal 5.

Proposal 5 was approved.

Proposal 6: Stockholder Proposal Adopting a Policy Requiring Separation of the Roles of Chairman of the Board and Chief Executive Officer. The number of votes cast for and against this matter, as well as the number of abstentions, were as follows:

Votes For	Votes Against	Abstentions
123,102,697	200,446,939	1,240,758

There were 29,549,068 broker non-votes as to Proposal 6.

Proposal 6 was not approved.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
3.1	Certificate of Amendment of Amended and Restated Certificate of Incorporation of NiSource Inc. dated May 23, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

May 24, 2023

NISOURCE INC.

By: /s/ Kimberly S. Cuccia
Kimberly S. Cuccia
Senior Vice President, General Counsel and Corporate Secretary

Exhibit 3.1

**STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
NISOURCE INC.**

NiSource Inc. (the "*Corporation*"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: that this Certificate of Amendment amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware, as amended (the "*Amended and Restated Certificate of Incorporation*").

SECOND: that the first paragraph of Article IV of the Amended and Restated Certificate of Incorporation is hereby amended as follows:

The total number of shares of all classes of stock which the Corporation shall have authority to issue is seven hundred seventy million (770,000,000), of which twenty million (20,000,000) shares of the par value \$.01 each are to be of a class designated Preferred Stock and seven hundred fifty million (750,000,000) shares of the par value of \$.01 each are to be of a class designated Common Stock.

THIRD: that the foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: All other provisions of the Amended and Restated Certificate of Incorporation shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed this twenty-third day of May, 2023.

/s/ Kimberly S. Cuccia

Kimberly S. Cuccia
Senior Vice President, General
Counsel, and Corporate Secretary

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 8, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

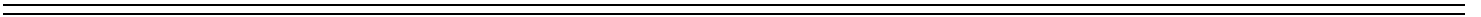
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 7.01. Regulation FD Disclosure.

A copy of NiSource Inc.'s (the "Company") press release issued on June 8, 2023 announcing the closing of the offering described below is furnished hereto as Exhibit 99.1.

The information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 8.01. Other Events.

On May 30, 2023, the Company and Barclays Capital Inc., BNP Paribas Securities Corp., MUFG Securities Americas Inc., Scotia Capital (USA) Inc. and U.S. Bancorp Investments, Inc., as representatives of the underwriters, entered into a Terms Agreement (the "Terms Agreement") with respect to the offering and sale of \$300,000,000 additional principal amount of the Company's 5.250% Notes due 2028 (the "2028 Notes") and \$450,000,000 principal amount of the Company's 5.400% Notes due 2033 (the "2033 Notes" and together with the 2028 Notes, the "Notes") under the Company's Registration Statement on Form S-3 (File No. 333-268084) (the "Registration Statement"). The Terms Agreement incorporates by reference an Underwriting Agreement, dated November 30, 2017, of the Company (as filed with the Securities and Exchange Commission on November 30, 2017). The terms of the 2028 Notes, other than the issue date and the price to the public, are identical to the terms of, and constitute an additional issuance of, the Company's 5.250% Notes due 2028, \$750,000,000 of which the Company previously issued on March 24, 2023 and are currently outstanding. Following the issuance of the 2028 Notes, the aggregate principal amount of outstanding 5.250% Notes due 2028 is \$1,050,000,000.

The sale closed on June 8, 2023. The Notes were issued pursuant to an Indenture, as amended and supplemented, dated as of November 14, 2000, among the Company, in its own capacity and as successor to NiSource Finance Corp., and The Bank of New York Mellon, as successor trustee. The Company intends to use the aggregate net proceeds from the sale of the Notes for general corporate purposes, including the full redemption of the outstanding shares of its 5.65% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, repayment of existing indebtedness, including repayment of a portion of its outstanding commercial paper, to finance capital expenditures and additions to working capital.

A copy of the form of the 2028 Notes was filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 24, 2023 and is incorporated herein by reference. A copy of the form of the 2033 Notes is filed as Exhibit 4.2 to this Current Report on Form 8-K and is incorporated herein by reference. The Company is filing Exhibit 5.1 with this Current Report on Form 8-K in connection with the Registration Statement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
4.1	Form of 5.250% Notes due 2028 (incorporated by reference to Exhibit 4.1 of the NiSource Inc. Form 8-K filed on March 24, 2023)
4.2	Form of 5.400% Notes due 2033
5.1	Opinion of Baker & McKenzie LLP
23.1	Consent of Baker & McKenzie LLP (included in Exhibit 5.1)
99.1	Press Release, dated June 8, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: June 9, 2023

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

Exhibit 4.2

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO NISOURCE INC. OR ITS AGENT OR AGENTS FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

No.: []

\$[]

CUSIP No.: 65473P AP0

ISIN No.: US65473PAP09

5.400% Notes due 2033

NiSource Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of [] Dollars on June 30, 2033.

Interest Payment Dates: June 30 and December 30, beginning December 30, 2023.

Record Dates: (i) if all of the Notes are in book-entry form represented by one or more Global Securities, the Business Day immediately preceding the applicable Interest Payment Date and (ii) if any of the Notes are not in book-entry form represented by one or more Global Securities, on each June 15 and December 15 (whether or not a Business Day) (each such date in clauses (i) and (ii), a “Regular Record Date”).

Additional provisions of this Note are set forth on the other side of this Note.

Dated:

NISOURCE INC.

By: _____
Name: Kimberly S. Cuccia
Title: Senior Vice President, General Counsel and Corporate Secretary

By: _____
Name: Randy G. Hulen
Title: Vice President, Investor Relations and Treasurer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series referred to in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Authorized Officer

5.400% Notes due 2033

1. Interest

NiSource Inc., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the “Company”), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semi-annually on June 30 and December 30 of each year, beginning December 30, 2023. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from June 8, 2023. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company will pay interest on overdue principal and premium at the above rate and will pay interest on overdue installments of interest at such rate to the extent lawful.

2. Method of Payment

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the Regular Record Date next preceding each Interest Payment Date even if Notes are canceled after the Regular Record Date and on or before the Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC, as Depositary.

3. Paying Agent and Security Registrar

Initially, the Trustee will act as Paying Agent and Security Registrar. The Company may appoint and change any Paying Agent or Security Registrar without notice to the Holders. The Company may act as Paying Agent or Security Registrar.

4. Indenture

The Company issued the Notes under an Indenture dated as of November 14, 2000, by and between the Company, in its own capacity and as successor to NiSource Finance Corp., and the Trustee (as successor trustee) (as amended and supplemented, the “Indenture”) and pursuant to an Officers’ Certificate of the Company dated June 8, 2023 (the “Officers’ Certificate”). The terms of the Notes include those stated in the Indenture and the Officers’ Certificate and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. sections 77aaa-77bbb) as in effect on the date of the Officers’ Certificate (the “Act”). Capitalized terms used herein and defined in the Indenture but not defined herein have the respective meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders of Notes are referred to the Indenture and the Act for a statement of those terms.

The Notes are senior unsecured obligations of the Company. The Notes issued on the original issue date will be treated as a single class for all purposes under the Indenture.

The Indenture contains covenants that limit the ability of the Company and its Subsidiaries (other than Utilities) to incur additional indebtedness and create liens on assets unless the total amount of all the secured debt would not exceed 10% of Consolidated Net Tangible Assets (excluding the Utilities). These covenants are subject to important exceptions and qualifications.

5. Optional Redemption

Prior to March 30, 2033 (three months prior to the maturity date of the Notes) (the “Par Call Date”), the Company will have the right to redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 30 basis points less (b) interest accrued to the Redemption Date, and (2) 100% of the principal amount of the Notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to, but excluding, the Redemption Date.

On or after the Par Call Date, the Company will have the right to redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily)—H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities—Treasury constant maturities—Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Trustee shall have no duty to calculate the Redemption Price.

6. Notice of Redemption

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depository's procedures) at least 10 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed in accordance with Section 106 of the Indenture. In the case of a partial redemption, selection of the Notes for redemption will be made pro rata, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. No Notes of a principal amount of \$2,000 or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of the original Note upon surrender for cancellation of the original Note. For so long as the Notes are held by DTC (or another depository), the redemption of the Notes shall be done in accordance with the policies and procedures of the depository. The Company will not know the exact Redemption Price until approximately two (2) to three (3) Business Days before the Redemption Date. Therefore, the notice of redemption will only describe how the Redemption Price will be calculated. Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date interest will cease to accrue on the Notes or portions thereof called for redemption.

7. Additional Notes

The Company may, without the consent of the Holders of the Notes, create and issue additional Notes ranking equally with the Notes in all respects, including having the same terms (except for the price to public, the issue date and the initial interest accrual date and the first Interest Payment Date, as applicable), so that such additional Notes shall be consolidated and form a single series with the Notes and shall have the same terms as to status, redemption or otherwise as the Notes. Such additional Notes will have the same CUSIP number as the Notes being authenticated on the date hereof, provided that such additional Notes are part of the same issue as the Notes being authenticated on the date hereof for U.S. federal income tax purposes. If such additional Notes are not part of the same issue for U.S. federal income tax purposes, such additional Notes must be issued with a separate CUSIP number. No additional Notes may be issued if an Event of Default has occurred and is continuing with respect to the Notes.

8. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of \$2,000 principal amount and integral multiples of \$1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Security Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Security Registrar need not register the transfer or exchange of any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) for a period of fifteen (15) Business Days before a selection of Notes to be redeemed.

9. Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of it for all purposes.

10. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee or the Paying Agent for payment.

11. Satisfaction and Discharge

Under the Indenture, the Company can terminate its obligations with respect to the Notes not previously delivered to the Trustee for cancellation when those Notes have become due and payable or will become due and payable at their Stated Maturity within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for giving notice of redemption. The Company may terminate its obligations with respect to the Notes by depositing with the Trustee, as funds in trust dedicated solely for that purpose, an amount sufficient to pay and discharge the entire indebtedness on the Notes. In that case, the Indenture will cease to be of further effect and the Company's obligations will

be satisfied and discharged with respect to the Notes (except as to the Company's obligations to pay all other amounts due under the Indenture and to provide certain Officers' Certificates and Opinions of Counsel to the Trustee). At the expense of the Company, the Trustee will execute proper instruments acknowledging the satisfaction and discharge.

12. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture may be amended with the written consent of the Holders of a majority in principal amount of the then Outstanding Securities of each series affected by such amendment, (ii) the Notes may be amended with the written consent of the Holders of at least a majority in principal amount of the Outstanding Notes and (iii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount of the Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee shall be entitled to amend the Indenture to, among other things, cure any ambiguity, defect or inconsistency, or to evidence the succession of another Person as obligor under the Indenture, or to add to the Company's covenants or to surrender any right or power conferred on the Company under the Indenture, or to add events of default, or to secure the Notes, or to evidence or provide for the acceptance or appointment by a successor Trustee or facilitate the administration of the trusts under the Indenture by more than one trustee, or to conform the Indenture to any amendment of the Act.

13. Defaults and Remedies

Under the Indenture, Events of Default include: (i) a default by the Company in the payment of any interest upon any Note and the continuance of such default for 60 days; (ii) a default by the Company in the payment of principal of or any premium on any Note when due at Maturity, on redemption, by declaration or otherwise, and the continuance of such default for three (3) Business Days; (iii) a default by the Company in the performance of or breach of any covenant or warranty in the Indenture and continuance of such default for 90 days after written notice has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 33% in principal amount of the Outstanding Notes; (iv) a default by the Company under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company, or the Company defaults under any mortgage, indenture or instrument under which there may be issued, secured or evidenced indebtedness constituting a failure to pay in excess of \$50,000,000 of the principal or interest when due and payable, subject to certain cure rights; or (v) certain events of bankruptcy, insolvency or reorganization involving the Company. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 33% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal or interest) if it determines that withholding notice is in the interest of the Holders.

14. Trustee Dealings with the Company

Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

15. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or the Trustee shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

16. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) signs the certificate of authentication on the other side of this Note in accordance with requirements set forth in the Indenture and the Officers' Certificate.

17. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

18. CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused the applicable CUSIP number to be printed on the Notes and has directed the Trustee to use such CUSIP number in any notice of redemption as a convenience to the Holders. To the extent such number has been issued, the Company has caused the applicable ISIN number to be similarly printed on the Notes and has similarly instructed the Trustee. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. Governing Law.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONTRARY CONFLICT OF LAWS OR CHOICE OF LAWS PROVISIONS OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION.

made to: The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Corporate Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below: I or we assign and transfer this Note to

(Print or type assignee's name, address and zip
code) (Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint _____ agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Signature must be guaranteed

Signature

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.



Baker & McKenzie LLP

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United States

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www.bakermckenzie.com

June 8, 2023

Asia Pacific
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Seoul
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Singapore
Sydney
Taipei
Tokyo
Yangon
Europe, Middle East
& Africa
Abu Dhabi
Almaty
Amsterdam
Antwerp
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Rio de Janeiro**
San Francisco
Santiago
Sao Paulo**
Tijuana
Toronto
Valencia
Washington, DC
* Associated Firm
** In cooperation with
Trench, Rossi e Watanabe
Advogados

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410

Re: 5.250% Notes due 2028 and 5.400% Notes due 2033

Ladies and Gentlemen:

We have acted as counsel for NiSource Inc., a Delaware corporation (the “**Company**”), in connection with the issuance and sale of \$300,000,000 additional principal amount of the Company’s 5.250% Notes due 2028 and \$450,000,000 principal amount of the Company’s 5.400% Notes due 2033 (together, the “**Notes**”). The Notes were issued under that certain Indenture dated as of November 14, 2000 (as amended and supplemented to the date hereof, the “**Indenture**”) between the Company (as successor to NiSource Finance Corp.) and The Bank of New York Mellon, as successor trustee (the “**Trustee**”). The Notes were sold by the Company pursuant to a Terms Agreement, dated May 30, 2023 (the “**Terms Agreement**”), by and among the Company and the underwriters named therein.

The Notes were offered and sold by the Company pursuant to a registration statement on Form S-3ASR filed with the Securities and Exchange Commission (the “**Commission**”) on November 1, 2022 (Registration Number 333-268084) (the “**Registration Statement**”), as supplemented by that certain prospectus supplement dated May 30, 2023 (the “**Prospectus Supplement**”).

We have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of (i) the governing documents and agreements, as applicable, of the Company, (ii) the Registration Statement and all exhibits thereto, (iii) the Prospectus Supplement, (iv) certain resolutions of the Board of Directors of the Company, (v) the Indenture, (vi) the forms of global notes representing the Notes and (vii) such other corporate records, agreements, documents, instruments and certificates or comparable documents of public officials and officers and representatives of the Company as we have deemed necessary or appropriate for the expression of the opinions contained herein.

In making the foregoing examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies thereof and the authenticity of the originals of such latter documents.



As to various questions of fact material to the opinions expressed below, we have, without independent third party verification of their accuracy, relied in part, and to the extent we deem reasonably necessary or appropriate, upon the representations and warranties of the Company contained in such documents, records, certificates, instruments or representations furnished or made available to us by the Company and upon certificates of public officials.

The opinion set forth below is subject to the following qualifications and exceptions:

1. The opinion expressed herein is subject to (i) laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization, liquidation, moratorium, and other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law), (iii) standards of commercial reasonableness and good faith, (iv) public policy and (v) concepts of comity.

2. The opinion expressed herein is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware. The Indenture and the Notes are governed by the laws of the State of New York.

3. We have assumed that all parties to the Indenture (other than the Company) have duly authorized, executed and delivered the Indenture and the Indenture is the valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms under the applicable laws of the State of New York.

Based on the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that the Notes have been duly authorized and executed by the Company and, when duly authenticated by the Trustee in accordance with the Indenture, and delivered to and paid for by the underwriters in accordance with the Terms Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms under the applicable laws of the State of New York.

We hereby consent to the filing of this opinion as an exhibit to the Company's Current Report on Form 8-K dated June 8, 2023 and to the reference to our firm under the caption "Legal Matters" in the Prospectus Supplement, which constitutes a part of the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated and we disclaim any undertaking to advise you of any subsequent change in the facts stated or assumed herein or any subsequent changes in applicable law.

**Baker
McKenzie.**

Very truly yours,

/s/ Baker & McKenzie LLP

BAKER & MCKENZIE LLP

Exhibit 99.1



FOR IMMEDIATE RELEASE:

June 8, 2023

NiSource Closes on Bond Offering

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) (“NiSource”) closed today on its issuance of \$750 million aggregate principal amount of notes in two series. NiSource issued an additional \$300 million of its 5.250% notes due March 30, 2028. The 5-year senior, unsecured notes priced at 100.280% of the incremental principal amount, plus accrued interest from March 24, 2023 (the original issuance date of the initial \$750 million of 5.250% notes due 2028) to, but excluding, June 8, 2023, with a coupon rate of 5.250%. The additional notes will accrue interest from and including March 24, 2023 payable semi-annually in arrears on March 30 and September 30 of each year, beginning September 30, 2023. With the incremental principal amount issued today, the aggregate principal amount of outstanding 5.250% notes due 2028 is \$1.05 billion.

NiSource also issued \$450 million of new 10-year notes due June 30, 2033. The 10-year senior, unsecured notes priced at 99.627% of the aggregate principal amount, with a coupon rate of 5.400%. The 10-year notes will accrue interest payable semi-annually in arrears on June 30 and December 30 of each year, beginning December 30, 2023.

The net proceeds from the sale of the notes will be used for general corporate purposes, including the full redemption of the outstanding shares of NiSource’s 5.65% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, repayment of existing indebtedness, including repayment of a portion of our outstanding commercial paper, to finance capital expenditures and additions to working capital.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America’s Best Employers for Women and Diversity. Learn more about NiSource’s record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission.

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FOR ADDITIONAL INFORMATION

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Forward-Looking Statements

This press release 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”). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 release 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with

applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, 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.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 16, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

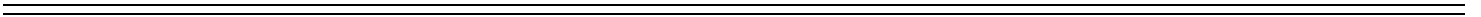
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 3.03. Material Modification to Rights of Security Holders.

The information set forth under Item 5.03 below is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On June 16, 2023, NiSource Inc. (the “Company”) filed a Certificate of Elimination to its Amended and Restated Certificate of Incorporation with the Secretary of State of the 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 its 5.65% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock (the “Series A Preferred Stock”). As previously disclosed, all outstanding shares of the Series A Preferred Stock were redeemed on June 15, 2023 for a redemption price of \$1,000.00 per share (the “Redemption Price”). Following the redemption, dividends ceased to accrue on such shares of Series A Preferred Stock, such shares of Series A Preferred Stock are no longer deemed outstanding and all rights of the holders of such shares of Series A Preferred Stock terminated, except the right of the holders to receive payment of the Redemption Price, without interest. A copy of the Certificate of Elimination relating to the Series A Preferred Stock is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	Certificate of Elimination of the Company with respect to the Series A Preferred Stock, dated June 16, 2023
104	Cover Page Interactive Data file - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: June 16, 2023

By:

/s/ Shawn Anderson

Shawn Anderson

Executive Vice President and Chief Financial Officer

Exhibit 3.1

**CERTIFICATE OF ELIMINATION
OF
5.65% SERIES A FIXED-RATE RESET CUMULATIVE
REDEEMABLE PERPETUAL PREFERRED STOCK
OF
NISOURCE INC.**

**Pursuant to Section 151 of the
General Corporation Law of the State of Delaware**

NiSource Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the “Corporation”), does hereby certify as follows:

1. At a meeting of the Board of Directors (the “Board”) of the Corporation duly convened and held on March 14, 2023, the Board duly adopted resolutions authorizing (a) the redemption of the outstanding 400,000 shares of the Corporation’s 5.65% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock (the “Series A Preferred Stock”) and (b) the Authorized Officers of the Corporation to do and perform, or cause to be done and performed, all such acts and deeds and to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments, waivers, amendments or certificates and to pay any fees or costs in the name and on behalf of the Corporation or otherwise as any such officer may deem necessary or appropriate to effectuate and carry out fully the purpose and intent of the foregoing resolutions.

2. All shares of the Series A Preferred Stock have been redeemed.

3. The “Authorized Officers” include Kimberly S. Cuccia, the Senior Vice President, General Counsel and Corporate Secretary of the Corporation.

4. Kimberly S. Cuccia, in her capacity as an Authorized Officer, has certified the resolutions set forth below.

5. Pursuant to Section 151 of the General Corporation Law of the State of Delaware, such resolutions shall have the effect of eliminating from the certificate of incorporation of the Corporation all matters set forth in the Certificate of Designations of the Series A Preferred Stock previously filed by the Corporation with the Secretary of State of the State of Delaware on June 8, 2018 (the “Series A Certificate of Designations”).

6. No shares of Series A Preferred Stock remain issued and outstanding.

NOW, THEREFORE, BE IT RESOLVED, that following redemption of the Series A Preferred Stock, no further shares of Series A Preferred Stock shall be issued subject to the Series A Certificate of Designations;

FURTHER RESOLVED, that following redemption of the Series A Preferred Stock, no shares of the Series A Preferred Stock are outstanding; and

FURTHER RESOLVED, that the Authorized Officers of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to execute a Certificate of Elimination relating to the Series A Preferred Stock, as well as such other certificates or instruments as may be required, to be filed with the Secretary of State of the State of Delaware to evidence the elimination from the certificate of incorporation of the Corporation all matters set forth in the Series A Certificate of Designations, such elimination to be effective upon the filing with the Secretary of State of the State of Delaware of such Certificate of Elimination of the Series A Preferred Stock.

IN WITNESS WHEREOF, NiSource Inc. has caused this Certificate of Elimination to be signed by the undersigned as of this 16th day of June, 2023.

/s/ Kimberly S. Cuccia

Kimberly S. Cuccia

Senior Vice President, General Counsel and Corporate
Secretary

[Signature Page to Series A Preferred Stock Certificate of Elimination]

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

FORM 8-K

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

Date of Report (Date of earliest event reported): June 17, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

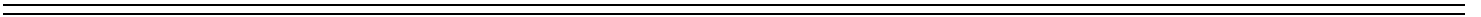
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange
Series A Corporate Units	NIMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 1.01 Entry Into a Material Definitive Agreement

Proposed Sale of 19.9% Equity Interest in Northern Indiana Public Service Company LLC

On June 17, 2023, NiSource Inc., a Delaware corporation (“**NiSource**”), along with its wholly-owned subsidiary, NIPSCO Holdings II LLC, a Delaware limited liability company (“**Holdings II**”), entered into a purchase and sale agreement (the “**Purchase Agreement**”) with BIP BLUE BUYER L.L.C., an affiliate of Blackstone Infrastructure Partners, an experienced investor in U.S. infrastructure (the “**Investor**”). Holdings II is (i) 100% owner of all issued and outstanding membership interests of Northern Indiana Public Service Company LLC, an Indiana limited liability company (“**NIPSCO**”) and (ii) 100% owned by NIPSCO Holdings I LLC, an Indiana limited liability company (“**Holdings I**”), which in turn is 100% owned by NiSource. Under the terms of the Purchase Agreement, Investor will acquire newly issued membership interests of Holdings II which will represent a 19.9% ownership in Holdings II at closing, for a purchase price of \$2.150 billion in cash, subject to adjustment based on the timing of closing and the amount of capital contributions made prior to closing (the “**Transaction**”). At the closing of the Transaction, NiSource will own an 80.1% controlling interest in NIPSCO, while Investor will own the remaining 19.9% non-controlling interest. The parties currently expect for the Transaction to close by the end of 2023.

The closing of the Transaction is subject to the satisfaction of certain customary closing conditions described in the Purchase Agreement, including, receipt of authorization by the Federal Energy Regulatory Commission (“**FERC**”). Following closing, Investor will not have any indemnification rights with respect to any inaccuracy of representations and warranties made by NiSource and Holdings II, except in the case of fraud. Instead, Investor’s sole remedy, except in the case of fraud, for any inaccuracy of representations and warranties will be through a representation and warranty insurance policy to be purchased in connection with the Transaction.

The Purchase Agreement may be terminated: (i) by mutual written consent of the parties; (ii) by either party if the closing has not occurred on or before one year after the effective date of the Purchase Agreement; (iii) by Investor or NiSource, as the case may be, prior to the closing upon certain material breaches or failures to perform any of the representations, warranties, covenants or agreements by the other party; or (iv) by either party prior to the closing in the event of a final and non-appealable law or order restraining, enjoining or otherwise prohibiting the closing in any competent jurisdiction.

The Purchase Agreement contains customary representations and warranties by NiSource, Holdings II and Investor. The representations and warranties of each party set forth in the Purchase Agreement have been made solely for the benefit of the other parties to the Purchase Agreement, and such representations and warranties should not be relied on by any other person. In addition, such representations and warranties (a) have been qualified by disclosure schedules that the parties have delivered in connection with the execution of the Purchase Agreement, (b) are subject to the materiality standards set forth in the Purchase Agreement, which may differ from what may be viewed as material by investors, (c) in certain cases, were made as of a specific date, and (d) may have been used for purposes of allocating risk between the respective parties rather than establishing matters of fact. Accordingly, no person should rely on the representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the execution of the Purchase Agreement.

Pursuant to the terms of the Purchase Agreement, at closing of the Transaction, Investor, Holdings I, Holdings II and NiSource will enter into an Amended and Restated Limited Liability Company Operating Agreement (the “**LLC Agreement**”). The LLC Agreement, among other things, provides for ongoing governance, exit rights, additional capital contributions, distributions, and other arrangements for Holdings II from and following the closing of the Transaction. As part of the Transaction, Blackstone is committed to funding its pro rata share of ongoing capital requirements, which is supported by a \$250 million equity commitment letter. Upon the closing of the Transaction, the board of directors of Holdings II (the “**Board**”) will consist of seven directors. The LLC Agreement will allow the Investor to appoint at least two directors to the Board so long as Investor holds at least a 17.5% Percentage Interest (as defined in the LLC Agreement). The LLC Agreement also contains certain investor protections, including, among other things, requiring Investor approval for Holdings II to take certain major actions. In addition, the LLC Agreement will contain certain transfer restrictions and other transfer rights and obligations applicable to both Investor and NiSource.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Purchase Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On June 20, 2023, NiSource issued a press release announcing the Transaction and reaffirming its 2023 and long-term earnings guidance, a copy of which is furnished hereto as Exhibit 99.1 to this Current Report on Form 8-K. Additional information regarding the Transaction, NiSource's 2023 and long-term earnings guidance and other relevant information, is available on the Investors section of www.nisource.com.

NiSource will host a conference call at 8 a.m. ET (7 a.m. CT) on June 20, 2023, to discuss the Transaction and related information. All interested parties may listen to the conference call live on June 20 by logging onto the NiSource website at www.nisource.com. A link on the home page will provide access to the webcast, the press release and the additional information. Additional details about the call are included in the press release.

The information set forth in and incorporated by reference into this Item 7.01 of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Note regarding forward-looking statements

This Current Report on Form 8-K 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 Current Report on Form 8-K include any statements regarding the ability to complete the Transaction on the anticipated timeline or at all; the anticipated benefits of the Transaction if completed; the projected impact of the Transactions on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the Transaction; 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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 Current Report on Form 8-K include, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the Transaction; the ability to satisfy the conditions to closing the Transaction, including the ability to obtain FERC approval necessary to complete the Transaction; the ability to achieve the anticipated benefits of the Transaction; the effect of this communication on NiSource's stock price; the effects of transaction costs; the effects of the Transaction on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the Transaction, including the diversion of management time on Transaction-related issues, 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 adapt to, and manage costs related to, advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and other matters set forth in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A, "Risk Factors," of our quarterly report Form 10-Q for the first quarter of 2023, some of which risks are beyond our control.

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.

Item 9.01 **Financial Statements and Exhibits**

(d) *Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
10.1*	Purchase and Sale Agreement, dated as of June 17, 2023, among NiSource Inc., as the Parent, NIPSCO Holdings II LLC, as the Company, and BIP BLUE BUYER L.L.C., as the Investor.
99.1	Press Release, dated June 20, 2023 (furnished pursuant to Item 7.01).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* 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.

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: June 20, 2023

By: /s/ Shawn Anderson

Shawn Anderson

Executive Vice President and Chief Financial Officer

Exhibit 10.1

Execution Version

PURCHASE AND SALE AGREEMENT

dated as of June 17, 2023

by and among

NISOURCE INC.,

NIPSCO HOLDINGS II LLC

and

BIP BLUE BUYER L.L.C.

TABLE OF CONTENTS

	Page
ARTICLE I PURCHASE AND SALE TRANSACTION; PURCHASE PRICE; THE CLOSING	1
Section 1.1 Purchase and Sale	1
Section 1.2 Purchase Price	2
Section 1.3 Closing	4
Section 1.4 The Closing Transactions	4
ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE COMPANY	5
Section 2.1 Formation and Power; Authorization	5
Section 2.2 Subsidiaries	6
Section 2.3 No Violation	6
Section 2.4 Governmental Authorities; Consents	6
Section 2.5 Equity Interests	6
Section 2.6 Financial Statements; No Undisclosed Liabilities	7
Section 2.7 Absence of Certain Developments	8
Section 2.8 Real Property	8
Section 2.9 Tax Matters	9
Section 2.10 Material Contracts	11
Section 2.11 Intellectual Property; IT; Data Security	13
Section 2.12 Litigation	13
Section 2.13 Employees	14
Section 2.14 Employee Benefit Plans	14
Section 2.15 Insurance	15
Section 2.16 Environmental Matters	16
Section 2.17 Permits; Compliance with Laws	16
Section 2.18 Affiliated Transactions	17
Section 2.19 Regulatory Matters	17
Section 2.20 Anti-Corruption and Anti-Money Laundering Laws	18
Section 2.21 Broker Fees	18
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE PARENT	18
Section 3.1 Formation and Power	18
Section 3.2 Authorization	19
Section 3.3 No Violation	19
Section 3.4 Governmental Authorities; Consents	19
Section 3.5 Litigation	19
Section 3.6 Anti-Corruption and Anti-Money Laundering Laws	19
Section 3.7 Broker Fees	20
Section 3.8 No Prior Activities	20
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE INVESTOR	20
Section 4.1 Organization, Standing and Power	20
Section 4.2 Authorization	20
Section 4.3 No Violation	21
Section 4.4 Consents	21
Section 4.5 Litigation	21
Section 4.6 Broker Fees	21
Section 4.7 Investment Representation	21
Section 4.8 No Fraudulent Conveyance	22

TABLE OF CONTENTS
(continued)

	Page	
Section 4.9	Anti-Corruption and Anti-Money Laundering Laws	22
Section 4.10	Regulatory	22
Section 4.11	Investor’s Financing	22
Section 4.12	Limited Guaranty	24
ARTICLE V COVENANTS		24
Section 5.1	Conduct of the Business	24
Section 5.2	Access	25
Section 5.3	Regulatory Filings	27
Section 5.4	Efforts to Achieve Closing; Third Party Consents	29
Section 5.5	Company’s Obligations in Respect of Financing	29
Section 5.6	Investor’s Obligations in Respect of Financing	30
Section 5.7	Interim Period Subsidiaries	33
Section 5.8	Further Assurances	33
Section 5.9	Provision Respecting Representation	33
Section 5.10	R&W Insurance Policy	34
ARTICLE VI CONDITIONS PRECEDENT		34
Section 6.1	Conditions to the Obligations of All Parties	34
Section 6.2	Conditions to the Obligations of Investor	35
Section 6.3	Conditions to the Obligations of the Parent and the Company	35
Section 6.4	Waiver of Conditions	36
ARTICLE VII TERMINATION		36
Section 7.1	Termination	36
Section 7.2	Effect of Termination	37
ARTICLE VIII NON-SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND CERTAIN COVENANTS		39
Section 8.1	Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers	39
Section 8.2	No Additional Representations or Warranties; No Outside Reliance	39
ARTICLE IX CERTAIN TAX MATTERS		40
Section 9.1	Transfer Taxes	40
Section 9.2	Tax Allocation	40
Section 9.3	Tax Treatment	41
Section 9.4	Tax Allocation Agreement	41
ARTICLE X MISCELLANEOUS		41
Section 10.1	Press Releases and Communications	41
Section 10.2	Confidentiality	41
Section 10.3	Expenses	41
Section 10.4	Notices	42
Section 10.5	Assignment	42
Section 10.6	Amendment and Waiver	43
Section 10.7	Third Party Beneficiaries; Non-Recourse	43
Section 10.8	Severability	43

TABLE OF CONTENTS
(continued)

	Page	
Section 10.9	Construction	43
Section 10.10	Disclosure Schedules	44
Section 10.11	Complete Agreement	44
Section 10.12	Specific Performance	44
Section 10.13	Jurisdiction and Exclusive Venue	45
Section 10.14	Governing Law; Waiver of Jury Trial	45
Section 10.15	No Right of Set-Off	46
Section 10.16	Counterparts	46
Section 10.17	Definitions	46
Section 10.18	Other Definitional Provisions	60
Section 10.19	Debt Financing Sources	61

Exhibits

Exhibit A – Form of Operating Agreement

Company and Parent Disclosure Schedules

Schedule 2.3	— No Violation
Schedule 2.5(a)	— Equity Interests
Schedule 2.6(b)	— No Undisclosed Liabilities
Schedule 2.6(e)	— Leakage Since Balance Sheet Date
Schedule 2.7	— Absence of Certain Developments
Schedule 2.8(g)	— Encumbrances on Real Property
Schedule 2.9	— Tax Matters
Schedule 2.10	— Material Contracts
Schedule 2.13	— Employees
Schedule 2.14(a)	— Employee Benefit Plans
Schedule 2.14(d)	— Post-Employment or Retirement Welfare Benefits
Schedule 2.14(e)	— Title IV Plans
Schedule 2.16	— Environmental Matters
Schedule 2.17	— Governmental Investigations
Schedule 2.18	— Affiliated Transactions
Schedule 2.19	— Regulatory Matters
Schedule 3.3	— No Violation (Parent)
Schedule 3.4	— Governmental Consents (Parent)
Schedule 3.7	— Broker Fees (Parent)
Schedule 5.1(a)	— Conduct of Business
Schedule 5.1(b)	— Permitted Interim Period Business Activities
Schedule 5.7	— Interim Period Subsidiaries
Schedule 9.2	— Tax Allocation
Schedule 10.17	— Existing Indebtedness

TABLE OF CONTENTS
(continued)

Investor Disclosure Schedules

Schedule 4.6	—	Broker Fees (Investor)
Schedule 4.10	—	Regulatory
Schedule 5.3(d)	—	Investor Interim Acquisitions

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this “Agreement”), dated as of June 17, 2023 (the “Effective Date”), is entered into by and among NiSource Inc., a Delaware corporation (the “Parent”), NIPSCO Holdings II LLC, a Delaware limited liability company (the “Company”), and BIP Blue Buyer L.L.C., a Delaware limited liability company (the “Investor”). The Parent, the Company, and the Investor are each sometimes referred to herein as a “Party” and, collectively, as the “Parties”. Defined terms used herein and not otherwise defined herein have the respective meanings set forth in Section 10.17.

WITNESSETH

WHEREAS, the Parent owns one hundred percent (100%) of the issued and outstanding membership interests of NIPSCO Holdings I LLC, an Indiana limited liability company (“NIPSCO Holdings I”);

WHEREAS, NIPSCO Holdings I owns one hundred percent (100%) of the issued and outstanding membership interests (the “Membership Interests”) of the Company;

WHEREAS, the Company owns one hundred percent (100%) of the issued and outstanding membership interests of Northern Indiana Public Service Company LLC, an Indiana limited liability company (“NIPSCO”);

WHEREAS, on the terms and subject to the conditions set forth herein, the Company wishes to issue and sell to the Investor, and the Investor wishes to purchase and accept from the Company, certain newly issued Membership Interests such that, after giving effect to the transactions contemplated by this Agreement, the Investor will own 19.9% of the Membership Interests (such Membership Interests, the “Purchased Interests”);

WHEREAS, as soon as practical following the Closing, the Company wishes to distribute to NIPSCO Holdings I and NIPSCO Holdings I desires to accept from the Company, a distribution of all or a portion of the Closing Purchase Price, such distribution to equal the amount of certain preformation capital expenditures (the “Special Distribution”); and

WHEREAS, concurrently with the execution of this Agreement, the Investor has delivered to the Parent (i) a duly executed limited guaranty (the “Limited Guaranty”) of the Investor Guarantor, in favor of the Parent, which, subject to the terms and conditions therein, guarantees the obligations of the Investor under Section 7.2(b) and (ii) a duly executed Equity Commitment Letter.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

PURCHASE AND SALE TRANSACTION; PURCHASE PRICE; THE CLOSING

Section 1.1 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, the Company shall issue and sell to the Investor, and the Investor shall purchase and accept from the Company, and the Company shall sell and transfer to Investor, the Purchased Interests, free and clear of all Liens other than (a) those created pursuant to Contracts to which Investor or any of its Affiliates is a party and (b) those that may be deemed to exist pursuant to securities Laws of general applicability.

Section 1.2 Purchase Price.

(a) Closing Purchase Price. The purchase price to be paid by the Investor for the Purchased Interests is an amount equal to the sum of (i) \$2,150,000,000 (the "Base Purchase Price"), plus (ii) the Additional Capital Contribution Amount (which may be a positive or zero), if any, plus (iii) the Equity Contribution Excess (which may be a positive or zero), if any, minus (iv) the Equity Contribution Shortfall (which may be a positive or zero), if any, minus (v) the Early Closing Time Value Adjustment (which may be a positive or zero), if any, plus (vi) the Late Closing Time Value Adjustment (which may be a positive or zero), if any, (the amount equal to such sum, the "Closing Purchase Price").

(b) Pre-Closing Purchase Price Adjustment. The Company shall provide the Investor with a written statement (the "Statement") reflecting the calculation of the Closing Purchase Price including, in reasonable detail and together with such calculations, records, documents, worksheets, working papers, line item details for accounts, schedules and other data that support its good faith estimate of (i) the total Additional Capital Contribution Amount, if any, (ii) the amount of any Equity Contribution Excess, if any, (iii) the amount of any Equity Contribution Shortfall, if any, (iv) the amount of any Early Closing Time Value Adjustment, if any, and (v) the amount of any Late Closing Time Value Adjustment, if any, at least five (5) Business Days prior to the Closing Date. The Statement shall be prepared in good faith in accordance with U.S. GAAP, applied consistently with the principles, practices, procedures and methodologies set forth in the Financial Statements. After the Investor's receipt of the Statement pursuant to this Section 1.2(b), the Investor shall have an opportunity to review the Statement and, within three (3) Business Days after the Investor's receipt of the Statement, the Investor may (but is not required to) deliver to the Parent and the Company a written report containing any corrections in such calculations that the Investor proposes, if any, together with a reasonably detailed explanation of such corrections. The Parties shall discuss and reasonably cooperate in good faith with respect to any proposed corrections to the Statement and the resolution thereof. The Statement, as agreed upon in writing by the Parties, shall control for purposes of all payments to be made at Closing; provided, that if the Investor, on the one hand, and the Parent and the Company, on the other hand, do not agree in writing upon any or all of the adjustments set forth in the Statement, then the amount of such disputed adjustment or adjustments used to calculate the payments to be made at Closing shall be that amount set forth in the Statement with respect to such disputed adjustment or adjustments delivered by the Company to the Investor pursuant to this Section 1.2(b).

(c) Post-Closing Purchase Price Adjustment.

(i) Preparation of Closing Statement. Within sixty (60) days after the Closing Date (but no earlier than January 2, 2024), the Parent shall prepare, or cause to be prepared, and deliver to the Investor a statement (the "Post-Closing Statement") setting forth, in reasonable detail and together with such calculations, worksheets, working papers, line item details for accounts, schedules and other data that support, the Parent's calculation of the actual amount of: (A) the total Additional Capital Contribution Amount, if any, (B) the amount of any Equity Contribution Excess, if any, (C) the amount of any Equity Contribution Shortfall, if any, (D) the amount of any Early Closing Time Value Adjustment, if any, and (E) the amount of any Late Closing Time Value Adjustment, and, using the foregoing components, a calculation of the estimated Final Purchase Price. The Post-Closing Statement must set forth a reconciliation between the estimated calculations set forth on the Statement and those calculations set forth on the Post-Closing Statement, including a reasonably detailed explanation for all such changes and all reasonable supporting documentation.

(ii) Dispute. Within the later of (a) thirty (30) days following receipt by the Investor of the Post-Closing Statement and (b) fifteen (15) days following receipt of the quarterly financials of the Company and its Subsidiaries for the three month period that includes the Closing Date, the Investor shall deliver written notice to the Parent of any dispute the Investor has with respect to the preparation or content of the Post-Closing Statement (the “Dispute Notice”). Any Dispute Notice shall contain a reasonably detailed description of the Investor’s position with respect to each such disputed item. If the Investor does not notify the Parent of a dispute by delivering a Dispute Notice with respect to the Post-Closing Statement within such thirty (30)-day period, such Post-Closing Statement will be final, conclusive and binding on the Parties and such Post-Closing Statement shall become the “Final Closing Statement”. In the event of such notification of a dispute, the Investor shall provide the Parent reasonable supporting documents and calculations, including reasonable detail with its delivery of a Dispute Notice, and the Investor and the Parent shall negotiate in good faith to attempt to resolve such dispute. If the Investor and the Parent notwithstanding such good faith effort, fail to resolve such dispute within thirty (30) days after the Investor advises the Parent of the Investor’s objections, then the Investor and the Parent jointly may engage one of the “Big Four” accounting firms to be mutually selected (or, if such firm is unable to be engaged, another nationally recognized firm of independent accountants mutually agreeable to the Investor and the Parent) (the “Independent Accountants”) to resolve such dispute. The Independent Accountants shall review only those items contained in the Dispute Notice that remain in dispute between the Parent and the Investor. In connection with the engagement of the Independent Accountants, the Parent and the Investor will execute such engagement, indemnity and other agreements as the Independent Accountants may reasonably require as a condition to such engagement. As promptly as practicable, but in any event within 30 days after the selection of the Independent Accountants and execution of such engagement, indemnity or other agreements and based solely on (i) a written submission provided by each of the Investor and the Parent to the Independent Accountants within ten (10) days following the Independent Accountants’ selection (and without independent investigation on the part of the Independent Accountants) and (ii) the terms and provisions of this Agreement, the Independent Accountants will determine whether the Post-Closing Statement requires adjustment in accordance with the terms of this Agreement. Once appointed, the Independent Accountants shall have no *ex parte* communications with any of the Parties concerning dispute. All communications between the Parent or the Investor, on the one hand, and the Independent Accountants, on the other hand, shall be conducted in writing, with copies sent simultaneously to the Parent and the Investor, as applicable, or at a meeting involving both the Parent and the Investor where both the Parent and the Investor have been provided advance notice. In resolving any disputed item, the Independent Accountants may not assign a value to any item in dispute (A) greater than the greatest value claimed for such item in the Parent’s proposed value for such disputed item as set forth in the Statement or the Post-Closing Statement, as applicable, or the Investor’s proposed value for such disputed item as set forth in the Dispute Notice, or (B) lower than the least value claimed for such item in Parent’s proposed value for such disputed item as set forth in the Statement or the Post-Closing Statement, as applicable, or the Investor’s proposed value for such disputed item as set forth in the Dispute Notice. The Independent Accountants shall (x) act as an expert and not as an arbitrator and (y) consider only those items and amounts in the Investor’s and the Parent’s respective calculations in the Post-Closing Statement or the Investor’s proposed value for such disputed item as set forth in the Dispute Notice, including each of the components thereof, that are in the Dispute Notice and identified as being items and amounts to which the Investor and the Parent have been unable to agree. The Parent and the Investor will each bear its own legal fees and other costs of presenting its case to the Independent Accountants. The Post-Closing Statement, to the extent finally determined by the Independent Accountants and reflecting any non-disputed item, shall become the “Final Closing Statement”. The fees and expenses of the Independent Accountants will be borne by the Parent and the Investor proportionately based on the relative success of each of them in resolving the items in the Dispute Notice, as determined by the Independent Accountants (i.e., so that the more successful Party bears a lesser proportion of such fees and expenses).

(iii) Adjustment Mechanisms. Upon the completion of the Final Closing Statement, the Closing Purchase Price shall be adjusted, on a dollar-for-dollar basis, as follows: (A) if the Final Purchase Price is less than the Closing Purchase Price (the amount of such shortfall, the “Purchase Price Shortfall Amount”), the Parent shall pay or cause to be paid to the Investor an amount of cash equal to the Purchase Price Shortfall Amount to an account designated in writing by the Investor or (B) if the Final Purchase Price is greater than or equal to the Closing Purchase Price (the amount of such excess, the “Purchase Price Excess Amount”), the Investor shall pay or cause to be paid to the Parent an amount of cash equal to the Purchase Price Excess Amount to an account designated in writing by the Investor.

(iv) The Parties agree that upon the payment of the Final Purchase Price and amounts provided in this Section 1.2, the Investor shall have no further obligation to pay the Parent any amounts hereunder or in connection with the acquisition of the Purchased Interests.

(v) Timing and Treatment of Payments. Any payment due under this Section 1.2 shall be made within the later of (A) ten (10) Business Days of the date on which the Final Closing Statement is finally determined pursuant to this Section 1.2, and (B) two (2) Business Days following the identification by the Parent or the Investor of such Party’s account to which funds, if applicable, will be delivered. Any payment made pursuant to this Section 1.2(c)(iv) shall be treated as an adjustment to the Closing Purchase Price for all purposes.

Section 1.3 Closing. The closing of the transactions contemplated hereby (the “Closing”) shall take place at the offices of McGuireWoods LLP, Gateway Plaza, 800 E. Canal Street, Richmond, Virginia 23219, or by the remote exchange of executed documents, as promptly as practicable, and in no event later than the tenth (10th) Business Day after the date on which all of the conditions contained in Article VI are satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions), or on or at such other date, time or place as is agreed to in writing by the Parties; provided, however, that, notwithstanding the foregoing, the Parent may elect, in its sole discretion, for the Closing to occur on any date from and including November 1, 2023 through and including January 3, 2024 (subject to the satisfaction or waiver of all of the conditions contained in Article VI) (the date on which the Closing occurs is referred to herein as the “Closing Date”). The Closing shall be effective as of 12:01 a.m. (New York City time) on the Closing Date.

Section 1.4 The Closing Transactions. Subject to the terms and conditions set forth in this Agreement, the Parties shall consummate the following transactions at the Closing:

(a) the Investor shall pay, or cause to be paid, to the Company, the Closing Purchase Price, by wire transfer of immediately available funds to an account designated in writing to the Investor prior to the Closing by the Company;

(b) the Company shall issue to the Investor the Purchased Interests registered in the name of the Investor and the Company shall reflect such issuance to the Investor in the books and records of the Company (including in Schedule 1 to the Operating Agreement) such that, after giving effect to such issuance and the Special Distribution, the Investor shall own all right, title and interest in and to a number of Membership Interests constituting a 19.9% ownership interest in the Company;

(c) the Parent shall deliver, or cause to be delivered, to the Investor, a counterpart copy of the Operating Agreement, duly executed by NIPSCO Holdings I (i) evidencing, effective as of the Closing, the addition of Investor as a member of the Company and (ii) constituting the issuance of the Purchased Interests;

(d) the Company shall deliver, or cause to be delivered, to the Investor, a counterpart copy of the Operating Agreement, duly executed by the Company;

(e) the Investor shall deliver, or cause to be delivered, to the Parent and the Company, a counterpart copy of the Operating Agreement, duly executed by the Investor; and

(f) the Parties shall make such other deliveries as are required by Article VI.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules of the Parent and the Company attached to this Agreement (each a “Disclosure Schedule” and, collectively, the “Disclosure Schedules”), subject to Section 10.10, or as disclosed in any Parent SEC Reports filed prior to the Effective Date (excluding any disclosure set forth in any risk factors section or any disclosure of risks included in any “forward looking statements” disclaimer and any other disclosure included in the Parent SEC Reports that are predictive, cautionary or forward-looking in nature) the Company represents and warrants to the Investor that as of the Effective Date and as of the Closing (unless the particular representation speaks expressly as of another date, in which case such representation is made as of such other date):

Section 2.1 Formation and Power; Authorization

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware, and the Company and each of its Subsidiaries has all requisite power and authority necessary to own, lease and operate its properties and to carry on its business as now conducted.

(b) The Company and each of its Subsidiaries is qualified to do business and is in good standing in every jurisdiction in which its ownership of property or the conduct of its business as now conducted requires it to qualify, except where the failure to be so qualified or in good standing would not reasonably be expected to have a Material Adverse Effect.

(c) The Company has made available to the Investor complete and correct copies of the Organizational Documents of the Company and its Subsidiaries, in each case as in effect as of the Effective Date.

(d) The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite company action by the Company, and no other company proceedings on the part of the Company is necessary to authorize the execution, delivery or performance of this Agreement by the Company. This Agreement has been duly and validly executed and delivered by the Company, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by the application of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other Laws relating to or affecting creditors’ rights or general principles of equity (the “Bankruptcy and Equity Exception”).

Section 2.2 Subsidiaries.

(a) Schedule 2.5(a) sets forth each Person in which the Company, directly or indirectly, owns any Equity Interests, including (i) the name of such Person, (ii) such Person's jurisdiction of organization, incorporation or formation, and (iii) the name and amount of each such Equity Interests owned, directly or indirectly, by the Company (as applicable). Except as set forth in any build transfer agreements or Tax Equity Agreements of the Company or any of its Subsidiaries entered into as of the Effective Date or during the Interim Period in accordance with Section 5.1 and other than the Subsidiaries of the Company, each of which are set forth on Schedule 2.5(a), the Company does not, directly or indirectly, own beneficially or of record, or hold the right to acquire, any Equity Interests in any Person.

(b) Each of the Company's Subsidiaries is duly organized, incorporated or formed (as applicable) and validly existing under the Laws of its jurisdiction of organization, incorporation or formation (as applicable).

Section 2.3 No Violation. Assuming that (x) the notices, authorizations, approvals, Orders, Permits or consents set forth on Schedule 2.3 are made, given or obtained (as applicable), (y) the Regulatory Approvals are obtained, and (z) any filings required by any applicable federal or state securities or "blue sky" Laws are made, the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement do not (a) violate, conflict with or breach the Organizational Documents of the Company or any of its Subsidiaries, (b) result in the imposition or creation of any Lien on the Membership Interests, (c) violate any Law applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound, or (d) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, create (or, with notice or lapse of time or both, would create) in any party thereto the right to accelerate, amend, terminate or cancel, require any consent under, or give rise to the creation of any Lien (other than a Permitted Lien) on any property or asset of the Company or any of its Subsidiaries under, any Material Contract (or any Interim Period Contract, if any), except, with respect to clause (d) above, for any such violations, breaches, defaults or other occurrences that are not, or would not reasonably be expected to be, material to the Company and its Subsidiaries, taken as a whole.

Section 2.4 Governmental Authorities; Consents. Neither the Company nor any of its Subsidiaries is required to file, seek or obtain any notice, authorization, approval, Order, Permit, filing or consent of or with any Governmental Authority in connection with the execution, delivery and performance by the Company of this Agreement or the consummation of the transactions contemplated hereby except (a) the requirement to obtain the Regulatory Approvals, (b) such filings as may be required by any applicable federal or state securities or "blue sky" Laws, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, (i) is not material to the Company and its Subsidiaries taken as a whole, and (ii) would not reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement prior to the Outside Date, (d) as may be necessary as a result of any facts or circumstances relating to the Investor or any of its Affiliates, and (e) notices and filings required to be made or given after the Closing.

Section 2.5 Equity Interests.

(a) Schedule 2.5(a) accurately sets forth the ownership structure of the Company and each of its Subsidiaries. Except as set forth on Schedule 2.5(a), all of the outstanding Equity Interests of the Company and each of its Subsidiaries are owned legally and beneficially and of record by Parent, NIPSCO Holdings I, the Company or a Subsidiary of the Company as set forth on Schedule 2.5(a), free and clear of all Liens other than (i) those created pursuant to any Existing Indebtedness, (ii) those that may be deemed to exist pursuant to securities Laws of general applicability and (iii) restrictions contained in the

Organizational Documents of the Company or its Subsidiary, as applicable. The Membership Interests constitute all of the issued and outstanding Equity Interests of the Company, and all of the outstanding Equity Interests of the Company and its Subsidiaries have been duly authorized and validly issued, in compliance with all applicable securities Laws and not in violation of the Organizational Documents of the Company or any of its Subsidiaries or any subscription rights, purchase options, call options, rights of first refusal or other similar rights of any Person, and (to the extent such concepts are applicable to such Equity Interests) are fully paid and nonassessable. Except as set forth on Schedule 2.5(a), as set forth in the Organizational Documents of the Company and its Subsidiaries and except for this Agreement and the transactions contemplated hereby, there are no outstanding options, warrants, subscriptions, rights (including preemptive rights), purchase rights, stock, unit or other equity appreciation rights, profits interests, phantom equity rights, equity-based compensation, rights to subscribe, calls or Contracts of any character relating to, or requiring, the ownership, issuance, transfer, acquisition, redemption, repurchase, delivery, sale, or payments based on the value, of any issued or unissued shares of capital stock or other Equity Interests, convertible or exchangeable securities (including securities that upon conversion or exchange would require the issuance of any Equity Interest), purchase rights, calls or commitments made by the Company or any of its Subsidiaries or similar rights relating to the issuance, purchase, sale or repurchase of any Equity Interests issued by the Company or any of its Subsidiaries containing any equity features, or Contracts by which the Company or any of its Subsidiaries is bound to issue, deliver or sell, or cause to be issued, delivered or sold, additional Equity Interests, or options, warrants, rights to subscribe to, purchase rights, calls or commitments made by the Company or any of its Subsidiaries relating to any Equity Interests of the Company or any of its Subsidiaries.

(b) Upon consummation of the issuance of the Purchased Interests by the Company to the Investor, (i) the Investor will hold good and valid title to all of the Purchased Interests free and clear of all Liens other than (A) Liens created pursuant to Contracts to which the Investor or its Affiliate is a party and (B) those that may be deemed to exist pursuant to securities Laws of general applicability and (ii) the Purchased Interests will constitute a 19.9% ownership interest in the Company.

Section 2.6 Financial Statements; No Undisclosed Liabilities

(a) The Company has made available to the Investor true, correct and complete copies of NIPSCO's and its Subsidiaries' (a) unaudited consolidated balance sheet as of March 31, 2023 (the "Balance Sheet Date") and the related unaudited consolidated statements of income, changes in stockholders' equity and cash flow for the three-month period then ended (the "Unaudited Financial Statements") and (b) audited consolidated balance sheets and related audited consolidated statements of income, changes in stockholders' equity, and cash flow for the fiscal years ended 2020, 2021 and 2022 (together with the Unaudited Financial Statements, collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with U.S. GAAP, except as may be otherwise specified in such Financial Statements and except that Unaudited Financial Statements may not contain footnotes required by U.S. GAAP, and fairly present in all material respects the financial position of NIPSCO and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of Unaudited Financial Statements, to the absence of notes and normal year-end audit adjustments. The books and records of NIPSCO and its Subsidiaries have been kept and maintained in all material respects in accordance with applicable Laws.

(b) Except as set forth on Schedule 2.6(b), NIPSCO and its Subsidiaries do not have any liabilities or obligations, whether accrued, contingent, absolute or otherwise ("Liabilities"), except (i) Liabilities accrued on or reserved against, or otherwise identified, in the Financial Statements, (ii) Liabilities that have arisen since the Balance Sheet Date in the Ordinary Course of Business, (iii) Liabilities arising after the Effective Date in connection with the transactions contemplated hereby, (iv) any executory obligations under Contracts (not including Liabilities arising from a breach thereof or default thereunder) and (v) other Liabilities that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(c) The Company does not have any Liabilities other than (i) for Taxes accrued and not yet payable or being contested in good faith through appropriate proceedings so long as adequate reserves have been maintained in accordance with U.S. GAAP, (ii) for obligations pursuant to this Agreement and (iii) for obligations under its Organizational Documents and nominal amounts necessary for the corporate maintenance and existence of the Company.

(d) The Company and each of its Subsidiaries maintains, and at all times since January 1, 2021, has maintained, a system of internal controls over financial reporting sufficient in all material respects to provide reasonable assurances regarding the reliability of financial reporting related to the Company and its Subsidiaries and the preparation of the Financial Statements for external purposes in accordance with U.S. GAAP, and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect in all material respects the transactions and disposition of the assets of the Company and its Subsidiaries; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company and its Subsidiaries that could have a material effect on its financial statements.

(e) Except as set forth on Schedule 2.6(e), since March 31, 2023 through the date of this Agreement, none of the Company or any of its Subsidiaries has made or authorized any payments or taken any actions which would constitute Leakage effective after the Leakage Reference Date.

Section 2.7 Absence of Certain Developments. Except as set forth on Schedule 2.7, since the Balance Sheet Date, (a) there has not occurred any event, occurrence or development that has had, or would reasonably be expected to have a Material Adverse Effect, and (b) the business of the Company and its Subsidiaries has been conducted in the Ordinary Course of Business in all material respects.

Section 2.8 Real Property.

(a) The Company or its applicable Subsidiary has good, valid, indefeasible and marketable fee title to all Owned Real Property, free and clear of all Liens (other than Permitted Liens), except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as whole. The Company or its applicable Subsidiary has good, valid and binding leasehold, easement or similar interest in (or has analogous property rights under applicable Law in), all Leased Real Property and Ancillary Real Property, as the case may be, in each case pursuant to the Vesting Instruments, free and clear of all Liens other than Permitted Liens, except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as whole.

(b) Each of the Vesting Instruments in effect as of the Effective Date, is legal, valid and binding on the Company or one of its Subsidiaries, as applicable, and to the Knowledge of Company, each other party thereto, and is in full force and effect and enforceable in accordance with its terms, except (i) as limited by the Bankruptcy and Equity Exception and (ii) as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is in breach or violation of any Vesting Instrument in effect as of the Effective Date, and, to the Knowledge of Company, no third party to any such Vesting Instrument is in breach or violation of any such Vesting Instrument, and no event has occurred which with the passage of time or the giving of notice or both would result in a default, breach or event of noncompliance by the Company or any of its Subsidiaries under any Vesting Instrument, except in each case for any such breaches or violations that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(c) The Real Property constitutes all of the material real property necessary for the operation of the Company's and its Subsidiaries' business as currently conducted.

(d) Neither the Company nor any of its Subsidiaries or Affiliates has received written notice of any, and to the Knowledge of Company there is no, existing or pending condemnation, eminent domain or similar proceeding affecting any of the Real Property or any portion thereof or interest therein that would reasonably be expected to be material to the Company and its Subsidiaries, taken as whole.

(e) To the Knowledge of Company, current local zoning ordinances, general plans and other applicable land use regulations and all private covenants, conditions and restrictions, if any, affecting any Owned Real Property permit the use and operation of such Owned Real Property by the Company or its Subsidiaries for its current use, except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as whole.

(f) Neither the Company or its Subsidiaries has received written notice of any, and to the Knowledge of Company there is no, default by the Company or any of its Subsidiaries under any restrictive covenants or other encumbrances pertaining to the Real Property, except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as whole.

(g) Except as set forth on Schedule 2.8(g), neither the Company's nor any of its Subsidiaries' interest in any material Real Property is subject to or encumbered by any purchase option, right of first-refusal or other contractual right or obligation to sell, assign, encumber or dispose of such interest.

Section 2.9 Tax Matters. Except as set forth on Schedule 2.9:

(a) All material Tax Returns that are required to be filed by or with respect to the Company and each of its Subsidiaries pursuant to applicable Laws have been duly and timely filed with the appropriate Tax authority, all such Tax Returns are true and complete in all material respects, and the Company and each of its Subsidiaries have timely paid all material Taxes due and payable by them regardless of whether shown as due and owing on a Tax Return, other than Taxes that are being contested in good faith through appropriate proceedings so long as adequate reserves are maintained in accordance with U.S. GAAP. Any material income Taxes due and payable by any consolidated, combined, unitary or similar income tax group of which the Parent is the common parent have been timely paid.

(b) All material Taxes which the Company or any of its Subsidiaries is obligated to withhold from amounts owing (including any interest, expenses or fees) to any Person have been deducted, withheld, and timely paid to the appropriate Governmental Authority.

(c) No deficiency or proposed adjustment which has not been paid or resolved for any amount of Tax has been asserted or assessed in writing by any Governmental Authority against the Company or any of its Subsidiaries or for which the Company or any of its Subsidiaries may otherwise be liable.

(d) Neither Parent, the Company nor any of its Subsidiaries has consented in writing to extend the time in which any Tax of the Company or any of its Subsidiaries may be assessed or collected by any Governmental Authority, which extension is still in effect, other than pursuant to extensions of time to file Tax Returns obtained in the Ordinary Course of Business.

(e) There are no ongoing or pending Tax audits, examinations or other proceedings by any Governmental Authority against or with respect to the Company or any of its Subsidiaries, and no such dispute, audit, examination, claim or proceeding has been threatened in writing.

(f) Neither the Company nor any of its Subsidiaries has any liability for the Taxes of any Person (other than the Company or its Subsidiaries) (i) as a transferee or successor, (ii) by Contract or (iii) under Treasury Regulations Section 1.1502-6 or any similar provision of state, local or non-U.S. Law (other than with respect to the U.S. federal consolidated income Tax group of which the Parent is the common parent).

(g) Neither the Company nor any of its Subsidiaries has been subject to any claim made in writing by any Governmental Authority in a jurisdiction where such Company or Subsidiary does not file a particular type of Tax Return or has not paid a particular type of Tax to the effect that such Company or Subsidiary is required to file such Tax Return or pay such type of Tax in that jurisdiction.

(h) There are no Liens for Taxes (other than Permitted Liens of the type described in clause (a) of the definition of Permitted Liens) upon any of the assets of the Company or any of its Subsidiaries.

(i) Neither the Company nor any of its Subsidiaries has participated in any “reportable transaction” within the meaning of Treasury Regulations Section 1.6011-4(b)(1).

(j) Neither the Company nor any of its Subsidiaries has constituted either a “distributing corporation” or a “controlled corporation” in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code in the prior two (2) years.

(k) Neither the Company nor any of its Subsidiaries will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or any portion thereof) ending after the Closing Date (i) under Section 481 of the Code (or any similar adjustments under any provision of the Code or the corresponding foreign, state or local Tax Laws) by reason of a change in method of accounting in any taxable period ending on or before the Closing Date, (ii) pursuant to the provisions of any closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax Laws) executed on or prior to the Closing Date, (iii) as a result of an installment sale or open transaction entered into prior to the Closing, or (iv) as a result of any prepaid amount received on or prior to the Closing Date.

(l) Neither the Company nor any of its Subsidiaries has any material liability for escheat or unclaimed property obligations.

(m) Neither the Company nor any of its Subsidiaries is, or has ever been, subject to Tax in a jurisdiction outside the country of its organization.

(n) Neither the Company nor any of its Subsidiaries is a party to, bound by, or has any obligation to any other Person under any Tax allocation, Tax sharing or Tax indemnification agreement or similar agreement (other than any such agreement entered into in the Ordinary Course of Business the primary purpose of which is unrelated to Taxes).

(o) Neither the Company nor any Subsidiary has taken any action, and no facts or circumstances exist that could reasonably be expected to (i) materially impair the ability of the Tax Equity Partnerships from performing its respective obligations under the Tax Equity Agreements, including generating the Tax Credits as contemplated by the Tax Equity Agreements, or (ii) result in the loss or recapture of any material Tax Credits generated by the Tax Equity Partnerships.

(p) There are no outstanding Pre-Closing Tax Equity Claims as of the date hereof.

(q) For U.S. federal tax purposes, as of the date hereof, the Company is and has been at all times since its formation, properly treated as an entity disregarded as separate from its owner. The U.S. federal income tax classification of each of the Subsidiaries is listed on Schedule 2.9(q).

(r) The Section 704(b) values set forth on the Project Blue Structure Model Spreadsheet tab labeled “Proj Blue Ptn-Traditional” (the “Model Allocation”) materially equals the Company’s net book value for the appropriate asset class as of December 31, 2022.

Section 2.10 Material Contracts.

(a) Schedule 2.10 lists each of the following Contracts to which the Company or any of its Subsidiaries are a party as of the Effective Date (each a “Material Contract” and collectively, the “Material Contracts”):

(i) any Contract relating to any acquisition by the Company or such Subsidiary of any business (whether by asset or stock purchase or otherwise) or any merger, consolidation or similar business combination transaction, in each case, pursuant to which the Company or such Subsidiary has an outstanding obligation to make any payment in excess of \$75,000,000 thereunder;

(ii) any Contract relating to any disposition by the Company or such Subsidiary of any business (whether by asset or stock purchase or otherwise) or any merger, consolidation or similar business combination transaction, in each case, pursuant to which the Company or such Subsidiary has any outstanding or contingent liabilities in excess of \$75,000,000 thereunder;

(iii) any Contract that requires the Company or such Subsidiary to post any fidelity or surety bond, completion bond, guarantee, letter of credit or other collateral or credit support obligation, in each case for an amount in excess of \$75,000,000;

(iv) any Contract under which the Company or such Subsidiary has incurred any Indebtedness (other than (A) intercompany Indebtedness solely among the Company and its Subsidiaries, (B) intercompany guarantees of Indebtedness of the Company or any of its Subsidiaries or (C) purchases of equipment or materials made under conditional sales Contracts entered into in the Ordinary Course of Business), in each case, having an outstanding principal amount in excess of \$50,000,000;

(v) any Contract that by its express terms would limit or restrict or otherwise adversely affect the ability of the Company or its Subsidiaries to pay dividends or distributions (other than the Tax Equity Agreements);

(vi) any Contract that contains a non-compete, right of first refusal, right of first offer or most favored nations obligation or restriction binding on the Company or such Subsidiary or that would be binding on Investor, except for (A) any such Contract that can be terminated without material penalty by the Company or such Subsidiary upon notice of 90 days or less, and (B) any such restrictions that constitute only a *de minimis* restraint on the conduct of the business of the Company and its Subsidiaries;

(vii) any interest rate or currency swap, exchange, option or hedging Contract which has (A) a notional amount on or after the date hereof in excess of \$50,000,000 or (B) a term extending for a period of longer than one year after the date hereof;

(viii) any Contract providing for the creation or governance of a partnership, joint venture or other similar arrangement in which the Company or such Subsidiary holds Equity Interests;

(ix) any Contract involving the resolution or settlement of any actual or threatened actions, suits or proceedings against or by the Company or such Subsidiary in an amount greater than \$50,000,000 in the aggregate that has not been fully performed by the Company or such Subsidiary, or that involves the admission of fault or wrongdoing by the Company or such Subsidiary, or otherwise imposes continuing conduct obligations on the Company or such Subsidiary;

(x) any Contract to which any Governmental Authority is a party providing for payments by or to the Company or any of its Subsidiaries in excess of \$10,000,000 in any calendar year or \$25,000,000 in the aggregate (excluding any (A) tariff Contracts, (B) rights-of-ways, easements or similar Contracts entered into in the Ordinary Course of Business, and (C) Contracts relating to purchase or sale of services in the Ordinary Course of Business and that are immaterial to the Company and its Subsidiaries, taken as whole);

(xi) any Contract relating to any outstanding commitment for capital expenditures in excess of either (A) \$50,000,000 in the aggregate in the current (or any future) fiscal year, or (B) \$100,000,000 over the remaining life of such Contract;

(xii) any Contract set forth in part (xii) of Schedule 2.10 and any Affiliate Contract in excess of either (A) \$5,000,000 in the aggregate in the current (or any future) fiscal year or (B) \$10,000,000 over the remaining life of such Contract;

(xiii) any Contract pursuant to which the Company or any of its Subsidiaries receives IT Systems, or use of or support for IT Systems, that are so critical to the business of the Company that it would reasonably be expected to have a Material Adverse Effect if the Company's ability to use or receive support for such IT Systems were disrupted or terminated other than upon an orderly termination of such Contract (excluding Contracts for commercial off the shelf computer software that is generally available);

(xiv) any Contract not addressed in clauses (i) through (xii) of this Section 2.10(a) (excluding any customer Contracts provided pursuant to NIPSCO's tariff) providing for payments by or to the Company or such Subsidiary (A) in excess of \$100,000,000 in the aggregate during the term thereof or (B) in excess of \$50,000,000 in any fiscal year, except for any such Contract that can be terminated without material penalty by the Company or such Subsidiary upon notice of 30 days or less; or

(xv) any Contract to enter into any of the foregoing.

(b) Each Material Contract and each Interim Period Contract (if any) is valid and binding on the Company or one of its Subsidiaries to the extent the Company or such Subsidiary is a party thereto, as applicable, and to the Knowledge of Company, on each other party thereto, and is in full force and effect and enforceable in accordance with its terms (subject to the Bankruptcy and Equity Exception), except where such failure to be valid, binding, enforceable and in full force and effect would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is in breach or violation of (or, with notice or lapse of time or both, would become in violation of) any Material Contract or any Interim Period Contract (if any) and, to the Knowledge of Company, no third party to any such Contract is in breach or violation of any such Contract, except in either

case for any such breaches or violations that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. As of the Effective Date, none of the Company or its Subsidiaries or Affiliates (as applicable) has received a written notice from the counterparty to any Material Contract of its intention to (i) terminate such Contract, (ii) modify such Contract in a manner adverse to the Company or any of its Subsidiaries, or (iii) make a claim of force majeure (except for (x) in each such case, such notices that have been withdrawn or otherwise resolved prior to the Effective Date, and (y) in the case of clauses (ii) and (iii), as has not been, and would not reasonably be expected to be, material to the Company and its Subsidiaries, taken as a whole).

Section 2.11 Intellectual Property; IT; Data Security.

(a) The Company and its Subsidiaries own or have the licenses or rights to use all Intellectual Property that is used or held for use in the conduct of the business of the Company and its Subsidiaries as currently conducted, except for any such failures to own or have the right to use that would not reasonably be expected to have a Material Adverse Effect.

(b) To the Knowledge of Company, neither the Company nor any of its Subsidiaries, nor the Company's nor any of its Subsidiaries' respective businesses infringes, misappropriates or otherwise violates any Intellectual Property of any other Person. No claims of such infringement or other violation are pending or, to the Knowledge of Company, threatened, against the Company or any of its Subsidiaries, and no such claims have been filed.

(c) To the Knowledge of Company, no Person is infringing, misappropriating or otherwise violating any material Intellectual Property owned by the Company or any of its Subsidiaries, and no claims of such infringement, misappropriation or other violation are pending or threatened against any Person by the Company or any of its Subsidiaries.

(d) The material IT Systems used in the operation of the business of the Company and its Subsidiaries are adequate in all material respects for their intended use and for the operation of the business of the Company and its Subsidiaries as currently conducted. In the past two (2) years, there has been no material failure or other material substandard performance of any IT System that has caused a material disruption to the Company or any of its Subsidiaries, except that has been remedied in all material respects. The Company and each of its Subsidiaries maintains commercially reasonable backup and data recovery, disaster recovery, and business continuity plans and procedures.

(e) Except as would not reasonably be expected to result in a Material Adverse Effect, during the past twelve (12) months, to the Knowledge of Company, the Company and its Subsidiaries have not experienced any Security Incident or have been required under applicable Law to give notice to any Governmental Authority of a Security Incident.

Section 2.12 Litigation. There are no actions, suits or proceedings pending against, or to the Knowledge of Company, threatened by any Person against the Company or any of its Subsidiaries, at law or in equity, or before or by any Governmental Authority, other than any action, suit, or proceeding, which, if adversely determined would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is subject to any outstanding Order, other than any such Order that would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole or prevent or materially impair the ability of the Company to consummate the Closing.

Section 2.13 Employees

(a) Schedule 2.13 lists the collective bargaining agreements or similar written agreements with an employee-labor union to which the Company or any of its Subsidiaries is a party or otherwise currently bound (together with any current and material amendments or memoranda relating thereto) (collectively, the “Collective Bargaining Agreements”). The Collective Bargaining Agreements constitute the only collective bargaining agreements to which the Company or any Subsidiary is a party or is subject and which relate to the businesses and operations of the Company or any Subsidiary. Neither the Company nor any of its Subsidiaries has an existing obligation to bargain with any labor organization or labor union outside of the obligations in the Collective Bargaining Agreements. The Company represents that it has provided to the Investor true and complete copies of any material addendas, side letters, memoranda of understanding and amendments to any Collective Bargaining Agreement currently in effect.

(b) Except as set forth on Schedule 2.13, each of the Company and its Subsidiaries (i) has not received written notice of any unfair labor practice complaint against it pending before the National Labor Relations Board, (ii) has no arbitration proceeding or material grievance not in the Ordinary Course of Business, in either case, pending against it that arises out of or under a Collective Bargaining Agreement, and (iii) is not currently experiencing, and has received no current threat of, any union organizing activity, work stoppage, lockout, strike, slowdown, or similar material labor activity or dispute.

(c) With respect to each employee of the Company and its Subsidiaries (individually, a “Company Employee” and collectively, the “Company Employees”), the Company or its Subsidiary, as applicable, is in compliance with all applicable Laws relating to labor and employment practices, except to the extent any non-compliance would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole. To the Knowledge of Company, each current Company Employee is properly classified as an employee or independent contractor under all applicable Laws with respect to services provided to the Company or its Subsidiaries.

(d) Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole, there are no actions, administrative charges, suits, investigations or other legal proceedings pending, or to the Knowledge of Company threatened, by any current or former Company Employee against the Company or any of its Subsidiaries, at law or in equity, or by or before any Governmental Authority.

(e) Except as set forth on Section 2.13(e), in the past three (3) years, neither the Company nor its Subsidiaries have implemented any “plant closing” or “mass layoff” (in each case, as defined under the Worker Adjustment and Retraining Notification Act of 1988 (WARN) or any similar Laws), and no such “plant closing” or “mass layoff” as defined under WARN or any similar Laws is currently planned.

Section 2.14 Employee Benefit Plans

(a) Schedule 2.14(a) sets forth a list of each material Benefit Plan and separately identifies (i) each Benefit Plan (or component thereof) that is maintained primarily for the benefit of current or former Company Employees and (ii) each Benefit Plan that is sponsored by the Company or its Subsidiaries.

(b) Each Benefit Plan has been maintained, in form and operation, in compliance, in all material respects, with the terms of such Benefit Plan and the requirements prescribed by Laws applicable to any such Benefit Plan, including ERISA and the Code. Each Benefit Plan which is intended to be qualified under Section 401(a) of the Code is, to the Knowledge of Company, so qualified and has received a currently effective favorable determination letter from the IRS or, with respect to a prototype or volume submitter plan, can rely on an opinion letter from the IRS to the prototype or volume submitter plan sponsor, that it is so qualified. The Company and its Subsidiaries (i) have, in all material respects, timely satisfied all of their obligations with respect to each Benefit Plan and (ii) do not have any Liability for a Tax under Chapter 43 of the Code.

(c) There are no pending or, to the Knowledge of Company, threatened material claims by or on behalf of or otherwise involving any Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by a Governmental Authority.

(d) Except as set forth on Schedule 2.14(d) or as required by Part 6 of Subtitle B of Title I of ERISA (or equivalent state Law), no Benefit Plan provides or has any obligation to provide post-employment or retirement welfare benefits to any current or former Company Employee (or dependent thereof).

(e) Schedule 2.14(e) identifies each Benefit Plan covered by Title IV of ERISA or subject to Section 412 of the Code or Section 302 of ERISA (each, a “Title IV Plan”). With respect to each Title IV Plan, (i) no material unsatisfied Liability to the Pension Benefit Guaranty Corporation (the “PBGC”) or other Governmental Authority has been incurred (other for premium payments accrued but yet due to the PGBC), (ii) all contributions (including installments) to such plan required by Section 301 of ERISA and Sections 412 or 430 of the Code have been timely made, in all material respects, (iii) there has been no “reportable event”, within the meaning of Section 4043 of ERISA (excluding those for which notice to the PBGC has been waived), (iv) such plan has not been required to file information pursuant to Section 4010 of ERISA for the current or most recently completed year, (v) such plan has not applied for or received a waiver of the minimum funding standards or an extension of any amortization period within the meaning of Section 412 of the Code or Section 302 or 303 of ERISA, and (vi) there are no funding-based limitations, within the meaning of Section 436 of the Code, currently in effect. None of the Company, its Subsidiaries or any of their respective ERISA Affiliates has engaged in any transaction described in Section 4069 of ERISA.

(f) No Benefit Plan is, and neither the Company nor any of its Subsidiaries has any Liability (including on account of an ERISA Affiliate) with respect to, (i) a multiemployer plan (within the meaning of Section 3(37) or 4001(a)(3) of ERISA), (ii) a multiple employer plan (within the meaning of Section 4063 of ERISA), (iii) a “multiple employer welfare arrangement” (within the meaning of Section 3(40) of ERISA) or (iv) other than a Title IV Plan, a plan that is covered by Title IV of ERISA or subject to Section 412 of the Code or Section 302 of ERISA.

(g) The consummation of the transactions contemplated hereby, either alone or in combination with any other event, will not (i) result in any payment or benefit becoming due or payable, or required to be provided, to any individual who currently provides, or formerly provided, services to the Company or any of its Subsidiaries; (ii) result in any change in the type, amount or value of compensation or benefits due or payable to any individual who currently provides, or formerly provided, services to the Company or any of its Subsidiaries or accelerate the time of payment, vesting or funding of any such benefit or compensation; or (iii) result in any amount failing to be deductible by reason of Section 280G of the Code.

Section 2.15 Insurance. With respect to each material insurance policy currently in effect as of the Effective Date maintained by or for the benefit of the Company or any of its Subsidiaries on their properties, assets, products, businesses or personnel and each insurance policy bound during the Interim Period in accordance with the terms of this Agreement (collectively, the “Insurance Policies”): (a) each Insurance Policy is legal, valid, binding, enforceable and in full force and effect, and all premiums due and payable with respect thereto have been paid in full, and no notice of cancellation, termination, reservation of rights or dispute or denial of coverage for any material claim has been received with respect to any such Insurance Policy; (b) the Company and its Subsidiaries are not in breach or default of any of the terms or

conditions of any Insurance Policy; (c) none of the Company or its Subsidiaries have received a written notice of non-renewal of any Insurance Policy from any of the insurers and there has been no lapse in coverage; (d) the Company, its Subsidiaries, and their respective assets and properties are insured in amounts no less than as required by applicable Law or any Material Contract; and (e) there is no material claim pending or, to the Knowledge of Company, threatened under any Insurance Policy that relates to the Company or the Subsidiaries and in respect of which coverage has been questioned, denied or disputed, by the underwriter of such policy. The transactions set forth herein shall not result in a violation under any of the Insurance Policies and shall not give rise to any right of termination or cancellation in connection therewith.

Section 2.16 Environmental Matters. Except as set forth on Schedule 2.16:

(a) Except as would not reasonably be expected to have a Material Adverse Effect, the Company and each of its Subsidiaries and their operations are, and have been for the past three (3) years have been, in compliance with all applicable Environmental Laws.

(b) Neither the Company nor any of its Subsidiaries is, or has during the prior three (3) years been, subject to any pending or, to the Knowledge of Company, threatened claim, action or proceeding regarding any actual or alleged violation of or Liability under any Environmental Law, or entered into or become subject to any Order that has had or continues to have a Material Adverse Effect.

(c) Except as would not reasonably be expected to have a Material Adverse Effect, no Hazardous Substances have been released at, in, on or under, or are otherwise present at, any real property currently owned or operated by the Company or any of its Subsidiaries, or, to the Knowledge of Company, either any real property formerly owned or operated by the Company or any of its Subsidiaries or at any other location where Hazardous Substances generated by the Company or any of its Subsidiaries have been transported or disposed of, in any such case in a quantity or condition that requires material investigation, remediation or monitoring pursuant to Environmental Law or would reasonably be expected to result in a material Liability of the Company or any of its Subsidiaries.

(d) Neither the Company nor any of its Subsidiaries has expressly assumed by Contract any material Liability of any other Person pursuant to Environmental Law.

Section 2.17 Permits; Compliance with Laws.

(a) Each of the Company and its Subsidiaries holds and is (and has been during the past three (3) years) in compliance, in all material respects, with all permits, certificates, licenses, approvals, registrations, waivers, exemptions and other authorizations that are material to the Company or any of its Subsidiaries and required for the use, ownership and operation of the assets of the Company and its Subsidiaries and the conduct of their business under applicable Laws (the "Permits"). All of the Permits are valid and in full force and effect and, during the prior three (3) years, neither the Company nor any of its Subsidiaries or Affiliates has received any written notice of, and to the Knowledge of Company, neither the Company nor any of its Subsidiaries is under investigation by, any Governmental Authority with respect to, any material violation of, or any obligation to take material remedial action under, any Permits (other than any such violations that have been fully cured).

(b) The Company and its Subsidiaries are, and have been during the prior three (3) years, in compliance, in all material respects, with all applicable Laws that are, in each case, material to the Company or any of its Subsidiaries, and during the prior three (3) years, neither the Company nor any of its Subsidiaries or Affiliates has received any written notice of any action or proceeding against it alleging any failure to comply in any material respect with any such applicable Laws. Except as set forth on Schedule 2.17,

no investigation by any Governmental Authority with respect to the Company or any of its Subsidiaries is pending or, to the Knowledge of Company, threatened, and during the prior three (3) years, neither the Company nor any of its Subsidiaries or Affiliates has received any written notice of any such investigation, except, in each case, for any such investigation that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

Section 2.18 Affiliated Transactions. Schedule 2.18 sets forth a complete and correct list of each Affiliate Contract that involves revenues to or expenditures in excess of \$15,000,000 annually in the current (or any future) calendar year by the Company or any of its Subsidiaries. Since the Balance Sheet Date, all transactions, charges, services, transfers, payments, accruals and other business or obligations between any member of the Parent Group (not including, for the avoidance of doubt, the Company), on the one hand, and the Company or any of its Subsidiaries, on the other hand (the “Affiliate Transactions”), were in compliance in all material respects with the terms of the transaction guidelines and cost allocation methodologies set forth in the applicable Affiliate Contracts. Each Affiliate Contract is valid and binding on the Company or one of its Subsidiaries to the extent the Company or such Subsidiary is a party thereto, as applicable, and to the Knowledge of Company, on each other party thereto, and is in full force and effect and enforceable in accordance with its terms (subject to the Bankruptcy and Equity Exception), except where such failure to be valid, binding, enforceable and in full force and effect would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. Neither the Company nor any of its Subsidiaries is in breach or violation of (or, with notice or lapse of time or both, would become in violation of) any Affiliate Contract and, to the Knowledge of Company, no third party to any such Affiliate Contract is in breach or violation of any such Affiliate Contract, except in either case for any such breaches or violations that would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

Section 2.19 Regulatory Matters.

(a) Neither the Company nor NIPSCO Holdings I is regulated as a “public utility” under the Federal Power Act (“FPA”). Each of the Company and NIPSCO Holdings I is a “holding company” under the Public Utility Holding Company Act of 2005. No characteristic of the Company or NIPSCO Holdings I would cause any Indebtedness of the Investor or any pledge by the Investor of its Equity Interests in the Company in support of such Indebtedness to be subject to regulation pursuant to the FPA or applicable state law. Except as set forth on Schedule 2.19, none of NIPSCO Holdings I’s Subsidiaries is regulated as a “public utility” under the FPA. Each of (i) NIPSCO and (ii) Indiana Crossroads Wind Farm, Meadow Lake Solar Park LLC, RoseWater Wind Farm LLC, and Dunns Bridge Solar Center LLC (such companies in clause (ii) the “NIPSCO Project Companies” and each of the NIPSCO Project Companies a “NIPSCO Project Company”) is a “public utility” under the FPA with MBR Authority, and such MBR Authority is in full force and effect. The NIPSCO Project Companies have received FPA 204 Blanket Authorization. NIPSCO has received the requisite authorization from FERC pursuant to FPA section 204.

(b) Each NIPSCO Project Company is an EWG, and is not subject to regulation under PUHCA, except for the compliance requirements under PUHCA applicable to an EWG and except to the extent that state regulatory authority access to books and records under Section 1265 of PUHCA applies to such NIPSCO Project Company, and is in compliance in all material respects with all requirements under PUHCA applicable to an EWG.

(c) Neither Parent nor any of its Affiliates has received written notice or any other affirmative indication that the Indiana Utility Regulatory Commission (the “IURC”) will not approve that certain March 10, 2023 Settlement Agreement (the “Settlement Agreement”) by and between NIPSCO and NIPSCO Industrial Group; NLMK Indiana; United States Steel Corporation; Walmart Inc.; RV Industry User’s Group; and the Indiana Office of Utility Consumer Counselor (collectively, the “Settling Parties” and each, a “Settling Party”) consistent with the terms provided for in the Settlement Agreement and to the Knowledge of Company, there are not currently any facts or circumstances that would reasonably be expected to cause the IURC not to approve such Settlement Agreement in its entirety without modification of material condition deemed unacceptable to any Settling Party.

Section 2.20 Anti-Corruption and Anti-Money Laundering Laws.

(a) Neither the Company nor any of its Subsidiaries, or, to the Knowledge of Company, any Representative acting for or on behalf of the Company or any of its Subsidiaries, (i) is the target of any Sanctions, (ii) is or is owned or controlled by a Sanctioned Person, (iii) is located, organized or resident in a Sanctioned Country, or (iv) engages in (or during the past three (3) years has engaged in) any dealings or transactions, or is (or during the past three (3) years has been) otherwise associated, with any such Sanctioned Person or Sanctioned Country in violation of any Sanctions.

(b) The Company and each of its Subsidiaries and, to the Knowledge of Company, any Representative acting for or on behalf of the Company or any of its Subsidiaries, is (and for the past three (3) years have been) in compliance in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

(c) To the Knowledge of Company, neither the Company nor any of its Subsidiaries is the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any anti-terrorism Laws, Anti-Corruption Laws or Anti-Money Laundering Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the Knowledge of Company, has been threatened in writing.

(d) The Company and each of its Subsidiaries are subject to, and in compliance with in all material respects, policies and procedures instituted and maintained by an Affiliate thereof that are designed in accordance with applicable Laws to promote and achieve compliance by such Persons, and any Representatives acting on their behalf, with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

Section 2.21 Broker Fees. There is no investment banker, broker, finder or other such intermediary that has been retained by, or has been authorized to act on behalf of, the Company or any Subsidiary thereof, that is or would be entitled to a fee or commission in connection with the transactions contemplated hereby from the Company or any of its Subsidiaries.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PARENT

Except as set forth in the Disclosure Schedules, subject to Section 10.10, or as disclosed in any Parent SEC Reports filed prior to the Effective Date (excluding any disclosure set forth in any risk factors section or any disclosure of risks included in any “forward looking statements” disclaimer and any other disclosure included in the Parent SEC Reports that are predictive, cautionary or forward-looking in nature) the Parent represents and warrants to the Investor that as of the Effective Date and as of the Closing (unless the particular representation speaks expressly as of another date, in which case such representation is made as of such other date):

Section 3.1 Formation and Power. The Parent is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

Section 3.2 Authorization. The execution, delivery and performance of this Agreement by the Parent and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action by the Parent, and no other corporate proceedings on the part of the Parent is necessary to authorize the execution, delivery or performance of this Agreement by the Parent. This Agreement has been duly and validly executed and delivered by the Parent, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of the Parent, enforceable against the Parent in accordance with its terms, except as limited by the Bankruptcy and Equity Exception.

Section 3.3 No Violation. Assuming that (x) the notices, authorizations, approvals, Orders, Permits or consents set forth on Schedule 3.3, are made, given or obtained (as applicable), (y) the Regulatory Approvals are obtained, and (z) any filings required by any applicable federal or state securities or “blue sky” Laws are made, the execution, delivery and performance of this Agreement by the Parent and the consummation of the transactions contemplated hereby do not (a) violate, conflict with or breach the Organizational Documents of the Parent, (b) result in the imposition or creation of any Lien on the Membership Interests, (c) violate or breach any Law applicable to the Parent, or by which any of its properties or assets are bound or (d) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which the Parent is a party or by which any of the Parent’s assets are bound, except, with respect to clause (d) above, for any such violations, breaches, defaults or other occurrences which would not reasonably be expected to prevent or materially impair the ability of the Parent to consummate the transactions contemplated hereby.

Section 3.4 Governmental Authorities; Consents. Except as set forth on Schedule 3.4, no filing or registration with, notification to, or authorization, consent or approval of, any Governmental Authority or any other Person (other than the Parties, their equity holders or their Affiliates) is required in connection with the execution and delivery by the Parent of this Agreement, the performance of the Parent’s obligations hereunder or the consummation of the transactions contemplated hereby, except (a) the requirement to obtain the Regulatory Approvals, (b) such filings as may be required by any applicable federal or state securities or “blue sky” Laws, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not, individually or in the aggregate, reasonably be expected to prevent or materially impair the ability of the Parent to consummate the transactions contemplated hereby, (d) as may be necessary as a result of any facts or circumstances relating to Investor or any of its Affiliates, or (e) notices and filings required to be made or given after the Closing.

Section 3.5 Litigation. There are no actions, suits or proceedings pending or, to the Knowledge of Parent, threatened against or affecting Parent, before or by any Governmental Authority, that would reasonably be expected to prevent or otherwise adversely affect the Parent’s performance of its covenants and obligations set forth in this Agreement or to otherwise prevent or materially impair the ability of the Parent to consummate the Closing. There are no bankruptcy proceedings pending or, to the Knowledge of Parent, threatened against the Parent.

Section 3.6 Anti-Corruption and Anti-Money Laundering Laws.

(a) Neither the Parent nor any of its Subsidiaries, or, to the Knowledge of Parent, any Representative acting for or on behalf of the Parent or any of its Subsidiaries, (i) is the target of any Sanctions, (ii) is or is owned or controlled by a Sanctioned Person, (iii) is located, organized or resident in a Sanctioned Country, or (iv) engages in (or during the past three (3) years has engaged in) any dealings or transactions, or is (or during the past three (3) years has been) otherwise associated, with any such Sanctioned Person or Sanctioned Country in violation of any Sanctions.

(b) The Parent and each of its Subsidiaries and, to the Knowledge of Parent, any Representative acting for or on behalf of Parent or any of its Subsidiaries, is (and for the past three (3) years have been) in compliance in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

(c) To the Knowledge of Parent, neither the Parent nor any of its Subsidiaries is the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any anti-terrorism Laws, Anti-Corruption Laws or Anti-Money Laundering Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the Knowledge of Parent, has been threatened in writing.

Section 3.7 Broker Fees(a) . Except as set forth on Schedule 3.7, there is no investment banker, broker, finder or other such intermediary that has been retained by, or has been authorized to act on behalf of, the Parent or any of its Affiliates, that is entitled to a fee or commission in connection with the transactions contemplated hereby.

Section 3.8 No Prior Activities. The Company was organized for the purposes of the transactions contemplated by this Agreement and from its formation to the Closing has been engaged solely in activities related to such transactions. The Company (a) has not had and does not have any employees and (b) has not conducted and does not conduct any business (other than related to its ownership of the membership interests of NIPSCO and the transactions contemplated by this Agreement).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

Except as set forth in the disclosure schedule of the Investor attached to this Agreement (the “Investor Disclosure Schedule”), the Investor hereby represents and warrants to the Company and the Parent that as of the Effective Date and as of the Closing (unless the particular representation speaks expressly as of another date, in which case such representation is made as of such other date):

Section 4.1 Organization, Standing and Power. The Investor is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware, with full power and authority to enter into this Agreement and perform all of its obligations hereunder. The Investor (or the regarded owner of the Investor for U.S. federal income tax purposes if the Investor is a disregarded entity for U.S. federal income tax purposes) has elected to be treated as an association taxable as a corporation for U.S. federal and applicable state and local income Tax purposes and will (1) continue to be so treated so long as the Investor continues to hold Membership Interests in the Company and (2) if the Investor is a disregarded entity for U.S. federal income tax purposes, promptly, upon reasonable notice, provide any information necessary to substantiate the tax classification of Investor and its regarded owner in connection with any regulatory proceeding (including rate cases).

Section 4.2 Authorization. The execution, delivery and performance of this Agreement by the Investor and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Investor, and no other proceedings on the part of the Investor are necessary to authorize the execution, delivery or performance of this Agreement by the Investor. This Agreement has been duly and validly executed and delivered by the Investor, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms, except as limited by the Bankruptcy and Equity Exception.

Section 4.3 No Violation. Assuming that (x) the notices, authorizations, approvals, Orders, permits or consents described in Section 4.4 are made, given or obtained (as applicable), (y) the Regulatory Approvals have been obtained, and (z) any filings required by any applicable federal or state securities or “blue sky” Laws are made, the execution, delivery and performance by the Investor of this Agreement and the consummation of the transactions contemplated hereby, do not (a) violate, conflict with or breach its Organizational Documents, (b) violate any applicable Law to which the Investor is subject or by which any of its assets are bound or (c) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which the Investor is a party or by which any of its assets are bound, except, with respect to clause (c) above, for any such violations, breaches or defaults that would not, individually or in the aggregate, reasonably be expected to prevent or materially impair the ability of the Investor to consummate the transactions contemplated hereby.

Section 4.4 Consents. No filing or registration with, notification to, or authorization, consent or approval of, any Governmental Authority or any other Person (other than the Parties, their equity holders or their Affiliates) is required in connection with the execution and delivery by the Investor of this Agreement, the performance of the Investor’s obligations hereunder or the consummation of the transactions contemplated hereby, except (a) the requirement to obtain the Regulatory Approvals, (b) such filings as may be required by any applicable federal or state securities or “blue sky” Laws, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the ability of the Investor to consummate the transactions contemplated hereby, (d) as may be necessary as a result of any facts or circumstances relating to the Parent, the Company or any of their respective Affiliates, or (e) notices and filings required to be made or given after the Closing.

Section 4.5 Litigation. There are no actions, suits or proceedings pending or, to the Knowledge of Investor, threatened against or affecting the Investor, before or by any Governmental Authority, that would reasonably be expected to prevent or otherwise adversely affect the Investor’s performance of its covenants and obligations set forth in this Agreement or prevent or materially impair the ability of the Investor or any of its Affiliates to consummate the transactions contemplated hereby. There are no bankruptcy proceedings pending or, to the Knowledge of Investor, threatened against the Investor or any of its Affiliates contemplated to be involved in the transactions contemplated hereby.

Section 4.6 Broker Fees. Except as set forth on Schedule 4.6, there is no investment banker, broker, finder or other intermediary which has been retained by, or is authorized to act on behalf of the Investor or any of its Affiliates, that is entitled to any fee or commission in connection with the transactions contemplated hereby from the Investor or any Affiliate thereof.

Section 4.7 Investment Representation; Investigation. The Investor is acquiring the Purchased Interests for its own account with the present intention of holding the Purchased Interests for investment purposes and not with a view to, or for sale in connection with, any distribution thereof in violation of any applicable securities Laws. The Investor is an “accredited investor” within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended. The Investor is knowledgeable about the industries in which the Company and its Subsidiaries operate, is capable of evaluating the merits and risks of the transactions contemplated hereby and is able to bear the substantial economic risk of such investment for an indefinite period of time. The Investor has been afforded full access to the books and records, facilities and personnel of the Company and its Subsidiaries for purposes of conducting a due diligence investigation and has conducted a full due diligence investigation of the Company and its Subsidiaries.

Section 4.8 No Fraudulent Conveyance. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors.

Section 4.9 Anti-Corruption and Anti-Money Laundering Laws.

(a) None of the Investor or its Affiliates, nor, to the Knowledge of Investor, any Representative acting for or on behalf of the Investor or any of its Affiliates, (i) is the target of any Sanctions, (ii) is or is owned or controlled by a Sanctioned Person, (iii) is located, organized or resident in a Sanctioned Country, or (iv) engages in (or during the past three (3) years has engaged in) any dealings or transactions, or is (or during the past three (3) years has been) otherwise associated, with any such Sanctioned Person or Sanctioned Country in violation of any Sanctions.

(b) The Investor and each of its Affiliates and, to the Knowledge of Investor, any Representative acting for or on behalf of the Investor or any of its Affiliates, are (and for the past three (3) years have been) in compliance in all material respects with all Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

(c) To the Knowledge of Investor, neither the Investor nor any of its Affiliates is the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any anti-terrorism Laws, Anti-Corruption Laws or Anti-Money Laundering Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the Knowledge of Investor, has been threatened in writing.

(d) The Investor and each of its Affiliates are subject to, and in compliance with in all material respects, policies and procedures instituted and maintained by an Affiliate thereof that are designed in accordance with applicable Laws, to promote and achieve compliance by such Persons, and any Representatives acting on their behalf, with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

Section 4.10 Regulatory.

(a) Except as set forth on the Investor Disclosure Schedule, neither the Investor nor any of its Affiliates (i) has an interest greater than or equal to ten percent (10%) in or (ii) is entitled to appoint a manager, director or member of a governing body of, any Person that owns, manages, controls or operates any electricity generation, distribution or transmission business or gas distribution or transmission business operating in the United States.

(b) The Investor is not a “public utility” as defined in the Federal Power Act.

Section 4.11 Investor’s Financing.

(a) Delivery of Financing Commitments. Concurrently with the execution of this Agreement, the Investor has delivered to the Parent a true and complete copy of the executed Equity Commitment Letter, Debt Commitment Letter and the Debt Fee Letter, which Debt Fee Letter has been redacted to remove only those items related to specific fees payable on the Closing Date to a Debt Financing Source.

(b) Status of Financing Commitments. As of the Effective Date:

(i) each of the Debt Commitment Letter and the Equity Commitment Letter is in full force and effect and represents a valid, binding and enforceable obligation of the Investor and to the Knowledge of Investor, each other party thereto, with respect to the subject matter therein, subject to the qualification that such enforceability may be limited by the Bankruptcy and Equity Exception;

(ii) neither the Debt Commitment Letter nor the Equity Commitment Letter has been amended, supplemented or modified in any manner;

(iii) the commitments under the Debt Commitment Letter and Equity Commitment Letter have not been withdrawn, rescinded, replaced or terminated;

(iv) no event has occurred which, with or without notice, lapse of time or both, would constitute a breach or default on the part of the Investor or, to the Knowledge of Investor, any other party thereto under the Debt Commitment Letter or the Equity Commitment Letter that could in either case result in the failure of the funding obligations thereunder or result in any portion of the Debt Financing or Equity Financing being unavailable on the Closing Date;

(v) the Investor has fully paid (or caused to be paid) any and all commitment fees and other amounts that are due and payable on or prior to the Effective Date in connection with the Debt Financing and Equity Financing; and

(vi) neither the Investor nor any of its Affiliates has entered into any agreement, side letter or other arrangement relating to the Debt Financing or Equity Financing, other than as set forth in the Debt Commitment Letter, the Equity Commitment Letter and the Debt Fee Letter that could affect the availability of the Financing on the Closing Date.

(c) Adequate Proceeds. The aggregate proceeds of the Equity Financing and the Debt Financing will be sufficient to fund the Required Amount on the Closing Date, assuming the satisfaction of the conditions precedent set forth in Section 6.1 and Section 6.2.

(d) Conditions to Commitments. There are no conditions precedent related to the funding of the full amount of the Equity Financing and the Debt Financing, other than the Financing Conditions. Investor has no reason to believe that it or any other party thereto will be unable to satisfy on a timely basis any term of the Debt Commitment Letter or Equity Commitment Letter. The Debt Commitment Letter provides that the only conditions precedent related to the funding of the Debt Financing on the Closing Date that will be included in the Debt Financing Documents will be the Financing Conditions contained in the Debt Commitment Letter. Investor has no reason to believe that, subject to the satisfaction of the conditions precedent set forth in Section 6.1 and Section 6.3, (i) any of the Financing Conditions will not be satisfied or (ii) the Debt Financing or Equity Financing will not be made available to Investor on the Closing Date.

(e) Effect on Condition to Parent's Obligations. Notwithstanding anything to the contrary contained herein, the Parent and the Company agree that a breach of this representation and warranty will not result in the failure of a condition precedent to the Parent's or the Company's obligations under this Agreement, if (notwithstanding such breach) the Investor is willing and able to consummate the transactions contemplated hereby on the Closing Date.

(f) Financing Not a Condition. The Investor understands and acknowledges that its obligations under this Agreement are not in any way contingent upon or otherwise subject to or conditional upon the Investor's consummation of any financing arrangements, the Investor's obtaining of any financing or the availability, grant, provision or extension of any financing to the Investor.

Section 4.12 Limited Guaranty. Concurrently with the execution of this Agreement, the Investor Guarantor has delivered to the Parent a true and complete copy of the executed Limited Guaranty. As of the Effective Date, (a) the Limited Guaranty is in full force and effect and represents a valid, binding and enforceable obligation of the Investor Guarantor with respect to the subject matter therein, subject to the qualification that such enforceability may be limited by the Bankruptcy and Equity Exception, (b) the Limited Guaranty has not been amended, supplemented or modified in any manner, and (c) no event has occurred which, with or without notice, lapse of time or both, would constitute a breach or default on the part of the Investor Guarantor.

ARTICLE V

COVENANTS

Section 5.1 Conduct of the Business.

(a) From the Effective Date until the earlier of the Closing or the termination of this Agreement pursuant to Section 7.1 (the “Interim Period”), except as (i) otherwise expressly contemplated or expressly permitted by this Agreement, (ii) set forth on Schedule 5.1(a), (iii) consented to in writing by the Investor (such consent not to be unreasonably withheld, delayed or conditioned), (iv) expressly required by any Material Contract, Interim Period Contract or by applicable Law, or (v) in connection with any Extraordinary Event Response, the Parent shall cause the Company and each of the Company’s Subsidiaries to use commercially reasonable efforts to conduct its respective business in the Ordinary Course of Business, and the Parent shall cause the Company and each of the Company’s Subsidiaries to use their respective commercially reasonable efforts to (A) preserve in all material respects the goodwill, reputation and present relationships with suppliers, customers, Governmental Authorities and others having significant business relationships with the Company or any of its Subsidiaries, (B) maintain and renew in the Ordinary Course of Business their respective Insurance Policies (or obtain replacement or substitute insurance policies providing substantially similar coverage) and material Permits, (C) conduct and make all Affiliate Transactions in compliance in all material respects with the transaction guidelines and cost allocation methodologies set forth the applicable Affiliate Contracts, and (D) make aggregate capital expenditures of at least \$2.2 billion by December 31, 2023, which such capital expenditures shall be paid for by the Company in the Ordinary Course of Business.

(b) During the Interim Period, except as (i) otherwise expressly contemplated or expressly permitted by this Agreement, (ii) set forth on Schedule 5.1(b), (iii) consented to in writing by the Investor (such consent not to be unreasonably withheld, delayed or conditioned), or (iv) required by applicable Law, the Parent shall cause the Company and each of the Company’s Subsidiaries not to:

(i) take any action that would require consent from the Investor Member or the Investor Director (in each case, as such terms are defined in the Operating Agreement) under the Operating Agreement if the Operating Agreement were in effect as of the Effective Date;

(ii) make, change or revoke any material Tax election or adopt or change any material method of Tax accounting or Tax accounting period; provided, however, that the foregoing limitations shall not apply with respect to any action that would not reasonably be expected to have a materially adverse impact on Investor as compared to other members of the Company;

(iii) declare or pay any dividend or distribution to the holders of any Equity Interests in such entity (other than to the Company or a Subsidiary of the Company);

(iv) redeem, purchase or otherwise acquire any equity interest of any Person or any securities or obligations convertible into or exchangeable for any equity interest of any Person, or any options, warrants or conversion or other rights to acquire any equity interest in any Person or any such securities or obligations, or any other securities thereof, other than with respect to any purchases pursuant to the Company's or any of its Subsidiaries' build transfer agreements or Tax Equity Agreements in effect as of the date hereof or executed during the Interim Period in accordance with this Section 5.1;

(v) enter into any new line of business;

(vi) amend or modify its Organizational Documents in a manner that would reasonably be expected to be materially adverse to Investor, the Company or any of its Subsidiaries;

(vii) take any action that would result in Leakage following the Leakage Reference Date;

(viii) other than as set forth in Schedule 5.1(b)(viii), incur any Indebtedness having an outstanding principal amount in excess of \$100,000,000, other than (A) intercompany Indebtedness solely among the Company and its Subsidiaries, (B) intercompany guarantees of Indebtedness of the Company or any of its Subsidiaries or (C) purchases of equipment or materials made under conditional sales Contracts entered into in the Ordinary Course of Business; provided that no Indebtedness may be incurred without the Investor's prior written consent if, after giving pro forma effect to such incurrence and the application of the proceeds therefrom, the Company's and its Subsidiaries' debt-to-capital ratio (calculated in accordance with the Indiana Utility Regulatory Commission's methodology) would be equal to or exceed the then-current target debt-to-capital ratio approved by the Indiana Utility Regulatory Commission by more than 200 basis points, which such calculation shall include any Indebtedness set forth on Schedule 5.1(b)(viii); or

(ix) agree or commit to do any of the foregoing.

(c) Notwithstanding the foregoing, the Parent may cause or permit the Company during the Interim Period to take, and cause or permit the Company's Subsidiaries to take, reasonable actions in connection with (i) any Emergency Situations, and (ii) any Extraordinary Event Response; provided, that the Parent shall, upon the occurrence of any of the circumstances described above, as promptly as reasonably practicable, inform the Investor in writing of such occurrence. No such actions under this Section 5.1(c) taken in compliance with the foregoing shall be deemed to violate or breach this Agreement in any way, or serve as a basis for the Investor to terminate this Agreement pursuant to Article VII or assert that any of the conditions to the Closing set forth in Article VI have not been satisfied.

(d) To the extent the Parent requests consent from the Investor pursuant to Section 5.1(a) or Section 5.1(b) and the Investor has not responded within ten (10) Business Days of the Investor receiving written notice of such request, the Investor shall be deemed to have consented for the relevant matter.

Section 5.2 Access.

(a) During the Interim Period, upon reasonable advance notice (but in no event less than five (5) Business Days) and subject to compliance with all applicable regulatory rules and regulations and other applicable Laws, the Parent shall provide the Investor and its authorized Representatives with reasonable access during regular business hours to the properties, offices, assets, members of senior management of the Parent or its Affiliates (to the extent related to the business of the Company or any of its Subsidiaries), facilities and books and records of the Company and its Subsidiaries; provided, that (i) such access does

not unreasonably interfere with the normal operations of the Parent or its Affiliates, (ii) such access shall occur in such a manner as the Parent reasonably determines to be appropriate to protect the confidentiality of the transactions contemplated hereby, (iii) such access shall be subject to reasonable health and safety conditions and to reasonable limitations relating to the properties, offices and facilities, of the Parent or its Affiliates, as may be imposed by the Parent or its Affiliates, (iv) all requests for access shall be directed to such Person(s) as the Parent may designate in writing from time to time, and (v) nothing herein shall require the Parent or any of its Affiliates to provide access to, or to disclose any information to, the Investor if such access or disclosure (A) would require the Parent or any of its Affiliates to disclose any financial or proprietary information of or regarding the Parent or its Affiliates or otherwise disclose information regarding the Parent or its Affiliates that the Parent or any of its Affiliates reasonably deems to be commercially sensitive, (B) upon the written advice of counsel would reasonably be expected to waive any legal privilege (provided, that the Parent shall promptly notify the Investor in writing if any information is withheld by reason of the exception under this clause (B), including a description of the general nature of such information and the reason for it being withheld, and the Parent shall cause its applicable Affiliate to use its commercially reasonable efforts to redact any such information being withheld and promptly provide the Investor with the redacted form of such information) or (C) would be in violation of applicable Laws or the provisions of any Contract to which the Parent or any of its Affiliates is a party (provided, that the Parent shall promptly notify the Investor in writing if any information is withheld by reason of the exception under this clause (C), including a description of the general nature of such information and the reason for it being withheld, and the Parent shall cause its applicable Affiliate to use its commercially reasonable efforts to obtain the required consent of such third party to disclose such document or information). Notwithstanding anything to the contrary contained in this Agreement, the Parent and its Affiliates shall not be required to (x) disclose to any Person any Tax information or Tax Return that does not relate solely to the Company or any of its Subsidiaries or (y) provide any information regarding the Company or any of its Subsidiaries in any format other than as then exists, or otherwise to manipulate or reconfigure any data regarding the Company's or any of its Subsidiaries' business, assets, financial performance or condition or operations. During the Interim Period, Parent and Investor shall cooperate in good faith to agree upon a reasonable scope and format of materials related to the Company's business during the Interim Period that Parent shall provide to Investor during the Interim Period, subject to the limitations set forth in Section 5.2(a)(v). For the avoidance of doubt, nothing in this Section 5.2 shall be construed to permit the Investor or any of its Representatives to have access to any files, records, agreements, communications or documents of the Parent to the extent related to the Parent or any of its Affiliates (other than the Company and its Subsidiaries), including any bids or offers received by the Parent or any of its Affiliates for the sale of any Membership Interests, it being agreed that all such bids or offers shall be the sole property of the Parent. No investigation by the Investor or other information received by the Investor pursuant to this paragraph shall operate as a waiver or otherwise affect any representation, warranty, covenant or agreement given or made by the Company or the Parent in this Agreement. All information furnished by the Parent or its Affiliates pursuant to this Section 5.2 shall be subject to the terms of the Confidentiality Agreement.

(b) The Investor agrees to indemnify, defend and hold harmless the Parent, its Affiliates and each of their respective former, current or future Affiliates, officers, directors, employees, partners, members, managers, agents, Advisors, successors and permitted assigns, from and against any and all actual losses, damages, Liabilities, claims, demands, causes of action, legal proceedings, Orders, remedies, obligations, assessments, awards, payments, costs and expenses, interest, penalties, fines, judgments and settlements (collectively, "Losses") (including for loss or injury to or death of any Person, and for any loss or damage to or destruction of any property (including for loss of use of any property)) resulting directly or indirectly from the action or inaction of the Investor or any of its Representatives during any visit to the business or property sites of the Company or any of its Subsidiaries prior to the Closing Date, whether pursuant to this Section 5.2 or otherwise, except to the extent caused by the gross negligence or willful misconduct of the Company or its Affiliates or Representatives. During any visit to the business or property sites of the Company or any of its Subsidiaries, the Investor shall, and shall cause its Affiliates and direct

its other Representatives accessing such properties to, comply with all applicable Laws and all of the Company's or such Subsidiary's safety and security procedures and conduct itself in a manner that could not be reasonably expected to interfere with the operation, maintenance or repair of the assets of the Company or such Subsidiary. Neither the Investor nor any of its Representatives shall conduct any environmental testing or sampling of soil, surface water, groundwater, indoor or outdoor air, soil, gas, surface or subsurface strata, sediments, other environmental media or building materials on any of the business or property sites of the Company or any of its Subsidiaries without the prior written consent of the Parent which may be granted or denied in the Company's sole discretion.

Section 5.3 Regulatory Filings.

(a) The Parties shall as promptly as practicable and no later than five (5) Business Days following the Effective Date, submit a joint application to the FERC pursuant to Section 203 of FPA seeking FERC approval for the transactions contemplated by this Agreement (the "FERC Approval"). Each of the Parties will furnish to each other's counsel such necessary information related to such Party or any of its Affiliates and reasonable assistance as a Party may reasonably request in connection with its preparation of any filing or submission that is necessary in connection with the Regulatory Approvals, including by timely providing any additional or supplemental information or documentation (in either case related to such Party or any of its Affiliates) requested by the relevant Governmental Authority in connection therewith; provided, that materials provided by a Party to the other Parties' counsel may be redacted and/or subject to a confidentiality agreement (i) to remove and/or protect references concerning the valuation of the Company and its Subsidiaries; (ii) as necessary to comply with contractual arrangements or applicable Laws; and (iii) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns, including concerns related to protecting personal identifying information or business confidential information. Subject to the terms of this Section 5.3, each of the Parties will comply as promptly as practicable with any reasonable requests made by any Party, or any requests made by any Governmental Authority, for any additional information related to such Party or any of its Affiliates in connection with such filings. The Investor will be responsible for all filing fees payable in connection with such filings. Otherwise, each Party shall pay its own costs and expenses associated with the Regulatory Approvals.

(b) In furtherance and not in limitation of their obligations under this Agreement, the Parties shall, and shall cause their Affiliates to, use their respective reasonable best efforts to promptly obtain any clearance, consent or Order of any Governmental Authority that may be, or become, required in connection with the Regulatory Approvals or otherwise necessary for the consummation of this Agreement and the transactions contemplated hereby prior to the Outside Date, and to avoid the entry of, or effect the dissolution of, any permanent, preliminary or temporary Order that would otherwise have the effect of preventing or materially delaying the transactions contemplated hereby or that would cause the Closing not to occur prior to the Outside Date. In furtherance of the foregoing, each Party shall take, and not refrain from taking, and shall cause its Affiliates to take and to not refrain from taking, any and all steps necessary to avoid or eliminate each and every impediment in connection with the Regulatory Approvals that may be asserted by any Governmental Authority so as to enable the Parties to consummate the transactions contemplated hereby as expeditiously as practicable (and in any event prior to the Outside Date), including (i) opposing (including through litigation on the merits) any motion or action for a temporary, preliminary or permanent injunction or Order against or preventing or delaying the consummation of the transactions contemplated hereby, (ii) promptly complying with any requests for additional information or documentation in respect of such Party or any of its Affiliates (including promptly making available any such information and personnel that may be requested by a Governmental Authority), (iii) proposing, negotiating, committing to, entering into a consent decree, consent agreement or other agreement or arrangement containing such Party's or its Affiliates' agreement to hold separate, license, sell or divest (pursuant to such terms as may be required by any Governmental Authority) such assets or businesses of the Company, such Party and their respective Affiliates and effecting such holding separate, license, sale

or divestiture sufficiently prior to the Outside Date to permit the Closing to occur prior to the Outside Date, effective as of the Closing (including proposing, committing to, and/or entering into customary ancillary agreements relating to any such sale, divestiture, licensing or disposition of such assets or businesses), (iv) making amendments or modifications to this Agreement, the Operating Agreement and any other transaction documents contemplated hereby to the extent required by a Governmental Authority, and (v) agreeing to such limitations on conduct or actions of such Party and its Affiliates, members of such Party and its Affiliates or the Company and its Subsidiaries effective as of the Closing, in each case, as may be required in order to permit the Closing to occur prior to the Outside Date. Each Party expressly acknowledges that a Governmental Authority may place conditions on a Regulatory Approval that may affect, impair or otherwise implicate such Party's rights and obligations under the Operating Agreement and require amendment thereto.

(c) The Parties shall instruct their respective counsel to cooperate with each other and use reasonable best efforts to facilitate and expedite the identification and resolution of any issues arising in connection with the Regulatory Approvals as promptly as practicable. Such reasonable best efforts and cooperation include counsel's undertaking (i) to keep the other Party's counsel appropriately and reasonably informed of material communications from and to personnel of the reviewing Governmental Authorities and (ii) to confer with the other Party's counsel regarding appropriate material contacts with and response to personnel of such Governmental Authorities and the content of any such contacts or presentations, in each case in connection with the transactions contemplated by this Agreement. Unless prohibited by applicable Law or by the applicable Governmental Authority, and to the extent reasonably practicable, no Party shall participate in any substantive meeting or discussion with any Governmental Authority with respect of any such filings, applications, investigation or other inquiry without giving the other Parties prior notice of the meeting or discussion and, to the extent permitted by the relevant Governmental Authority, the opportunity to attend and participate in such meeting or discussion. In the event any Party or its Representatives are prohibited by applicable Law or by the applicable Governmental Authority from participating in or attending any such meeting or engaging in any such discussion, such Party shall keep the other Parties reasonably and promptly apprised with respect thereto. To the extent reasonably practicable, each Party shall provide the other Parties with copies of all material correspondence, filings and communications between it and its Subsidiaries and Affiliates and their respective Representatives, on the one hand, and any Governmental Authority, on the other hand, with respect to this Agreement or the transactions contemplated hereby. Each Party will have the right to review (subject to appropriate redactions for confidentiality and attorney-client privilege concerns) and approve the content of any presentations, white papers, economic analysis or other written materials to be submitted by the other Party or Parties to any Governmental Authority in advance of any such submission. In exercising the foregoing rights, each Party shall act reasonably and as promptly as practicable. No Party shall withdraw its filing or extend the waiting period in connection with the Regulatory Approvals without the prior written consent of the other Parties.

(d) During the Interim Period, except as set forth on Schedule 5.3(d), each Party shall not, and shall not permit any of its Affiliates to, acquire or agree to acquire (by merging or consolidating with, or by purchasing a material portion of the assets of or equity in, or by any other manner), any Person or portion thereof, or otherwise acquire or agree to acquire any assets, licenses, rights, operations or businesses of any Person, if the entering into a definitive agreement relating to, or the consummation of, such acquisition, merger or consolidation in the United States would be reasonably expected to (i) delay the obtaining of the Regulatory Approvals beyond the Outside Date, (ii) jeopardize the obtaining of the Regulatory Approvals, (iii) materially increase the risk of not obtaining the Regulatory Approvals or (iv) materially increase the risk of entry of a Restraint or any other Order prohibiting the consummation of the transactions contemplated hereby.

(e) Notwithstanding anything else to the contrary in this Agreement, in no event shall the Parent or its Affiliates be required, in connection with this Agreement or the transactions contemplated hereby, to offer, accept, incur, agree or consent to any material undertaking, requirement, condition, commitment, sanction, liability, obligation or other measure.

Section 5.4 Efforts to Achieve Closing; Third Party Consents. Subject to, and not in limitation of, the other terms of this Agreement (including, for the avoidance of doubt, Section 5.3(e)), during the Interim Period, each of the Parties agrees to use (a) its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, and to assist and cooperate with the other Party in doing, all things necessary, proper or advisable under applicable Laws and regulations to satisfy the conditions to the Closing set forth in Article VI and to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including (i) defending any lawsuits or other legal proceedings, whether judicial or administrative, initiated by a third party challenging this Agreement or any matter contemplated hereby and (ii) executing and delivering such instruments, and taking such other actions, as any other Party may reasonably require in order to carry out the intent of this Agreement and (b) its commercially reasonable efforts to obtain consents, waivers or approvals of any third parties necessary to consummate the transactions contemplated hereby (including those consents set forth in Schedule 2.3 and Schedule 3.3). Without limiting the generality of the foregoing, no Party shall, and no Party shall permit any of its Affiliates or Advisors to, take any action designed to prevent, impede or delay the Closing.

Section 5.5 Company's Obligations in Respect of Financing.

(a) Subject to Section 5.5(b), prior to the Closing, the Parent and the Company shall use their respective commercially reasonable efforts to provide to the Investor such customary cooperation that is reasonably requested by Investor in connection with the Debt Financing (provided, that such requests shall not unreasonably interfere with the ongoing operations of the Parent or its Subsidiaries). Such assistance shall include, but not be limited to, (i) participation by senior management of Parent and the Company in, and assistance with, the preparation of customary rating agency presentations and up to two meetings with each of the main rating agencies, at times and locations to be mutually agreed and upon reasonable notice; (ii) delivery to Investor of the Financing Information; (iii) assisting in the preparation of schedules to the definitive loan documentation, as may be reasonably requested; (iv) obtaining, executing and delivering, customary authorization and representation letters to the Debt Financing Sources authorizing the distribution of marketing information memoranda and/or presentations to prospective lenders or investors (after such memoranda and/or presentations have been provided to the Company with a reasonable opportunity to review and comment thereon in advance of the dissemination thereof) and containing customary representations, including with respect to the presence or absence of material nonpublic information about the Parent, Company and their Subsidiaries and regarding the material accuracy of the information contained therein, in any such case, only with respect to the information contained therein concerning the Parent, the Company, their respective Subsidiaries and respective businesses and (v) taking such other actions as are reasonably requested by Investor to facilitate the satisfaction on a timely basis of the Financing Conditions set forth in the Debt Commitment Letter that are within the control of the Parent and the Company.

(b) Notwithstanding anything in Section 5.5(a) or this Agreement to the contrary, the cooperation requested by the Investor pursuant to Section 5.5(a) shall not (i) unreasonably interfere with the ongoing operations of the Parent or its Subsidiaries, (ii) cause competitive harm to the Parent or any of its Subsidiaries, if the transactions contemplated by this Agreement are not satisfied, or (iii) require any of the Parent or any of its Subsidiaries to (A) pay any commitment or other similar fee, (B) have or incur any liability or obligation in connection with the Debt Financing, including under any agreement or any document related to the Debt Financing, (C) commit to taking any action (including entering into any Contract) whether or not contingent upon the Closing or to otherwise execute any document, agreement,

certificate or instrument in connection with any Debt Financing (other than with respect to the authorization and representation letters referred to in clause (a)(iv) above), (D) take any action that would conflict with, violate or breach or result in a violation or breach of or default under any Organizational Documents of the Parent, the Company or any of their Affiliates, any Contract, this Agreement or any other document contemplated hereby or any Law, (E) take any action that could subject any director, manager, officer or employee of the Parent or any of its Affiliates to any actual or potential personal liability, (F) subject to the provisions of Section 5.2(a), provide access to or disclose information that the Company determines in good faith could jeopardize any attorney-client privilege of, or conflict with any confidentiality requirements applicable to, the Parent or any of its Affiliates, (G) reimburse any expenses or provide any indemnities, (H) make any representation, warranty or certification (other than with respect to the authorization and representation letters referred to in clause (a)(iv) above), (I) adopt resolutions or otherwise approve agreements, documents or instruments in connection with the Debt Financing, (J) prepare any pro forma financial statements, (K) provide any cooperation that would cause any condition set forth in Article VI to fail to be satisfied or (L) provide any cooperation or information that does not pertain to the Parent, the Company or its Subsidiaries. In no event shall the Parent or the Company be in breach of Section 5.5(a) because of its failure to deliver any financial or other information other than financial or other information that can be prepared without undue burden at the time requested by the Investor or for the failure to obtain review of any financial or other information by its accountants. The Investor shall promptly reimburse the Parent or the Company (as applicable) for all out-of-pocket costs and expenses incurred by the Parent, the Company or any of their Subsidiaries in connection with the cooperation contemplated by Section 5.5(a), including all reasonable and documented fees and expenses in connection with any Advisors or Representatives of the Parent or its Subsidiaries (which shall, for the avoidance of doubt, include attorneys' fee and expenses and fees and expenses of any accounting firms) engaged to assist in connection with the Debt Financing. The Investor shall indemnify and hold harmless the Parent, the Company and its Subsidiaries, and their respective Representatives, from and against any and all Losses suffered or incurred by them in connection with the arrangement of the Debt Financing and any information utilized in connection therewith (except to the extent such Losses result from such Person's gross negligence, Fraud or willful misconduct). In no event shall any failure on the part of the Parent or the Company to comply with its obligations under Section 5.5(a) give rise to the failure of a condition set forth in Article VI or be grounds for termination of this Agreement under Article VII.

(c) For the avoidance of doubt, receipt of any third party financing (including any Debt Financing) is not a condition precedent to the Closing, to a grant of specific performance as contemplated in Section 10.12, to the full and timely payment of the Obligations (as defined in the Limited Guaranty) (in the event due and payable) by the Investor Guarantor, or to any other matter hereunder, and, subject to the express terms and conditions of this Agreement, the Investor hereby affirms its obligation to effect the Closing and the other transactions contemplated by this Agreement regardless of whether the Investor obtains any third party financing (including any Debt Financing).

(d) Any information provided pursuant to this Section 5.5 shall be subject to the Confidentiality Agreement.

Section 5.6 Investor's Obligations in Respect of Financing.

(a) No Amendments to Commitment Letters. Prior to the Closing, the Investor shall not, without the prior written consent of the Parent, agree to, or permit any withdrawal, rescindment, amendment, replacement, supplement or modification to be made to, or any waiver of any provision or remedy pursuant to or consent under, any Commitment Letter or the definitive agreements relating to the Financing if such withdrawal, rescindment, amendment, replacement, supplement, modification, consent or waiver would (i) reduce the aggregate amount of the Financing (or the cash proceeds available therefrom) below the amount required to consummate the transactions contemplated by this Agreement; (ii) impose

new or additional conditions precedent to the Financing or otherwise expand, amend or modify any of the existing conditions to the receipt of the Financing; provided, that any such changes to the conditions precedent to the Financing shall be permitted to the extent such changes would not reasonably be expected to prevent or materially impair the Closing; (iii) expand, amend, or modify any other terms to the Financing in a manner that would reasonably be expected to prevent or materially impair the Closing and the funding of the amount of the Financing required to consummate the transactions contemplated by this Agreement; or (iv) adversely impact in any material respect the ability of the Investor to enforce its rights against the other parties to the Commitment Letters or the definitive agreements with respect thereto (provided that (subject to compliance with the other provisions of this [Section 5.6\(a\)](#)), the Investor may amend the Debt Commitment Letter to (A) add additional lenders, arrangers, bookrunners, managers or agents that have not executed the Debt Commitment Letter as of the date of this Agreement) or (B) increase the aggregate amount of the Debt Financing. Parent shall promptly furnish to the Company true and complete copies of any amendment, replacement, supplement, modification, consent or waiver relating to the Commitment Letters or any definitive agreements relating to the Financing. Upon any amendment, supplement or modification of the Debt Commitment Letter in accordance with this [Section 5.6\(a\)](#), references to the “Commitment Letters” and “Debt Commitment Letter” shall include such documents as permitted to be amended, supplemented or modified under this [Section 5.6\(a\)](#), and references to the “Financing” and “Debt Financing” shall include the financing contemplated by the Debt Commitment Letter as permitted to be amended, supplemented or modified under this [Section 5.6\(a\)](#).

(b) [Taking of Necessary Actions](#). Subject to the terms and conditions of this Agreement, the Investor shall use its commercially reasonable efforts to, and shall use its commercially reasonable efforts to cause its respective directors, officers, employees, accountants, consultants, legal counsel, financial advisors and other advisors and representatives to, take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper and advisable to arrange, consummate and obtain the Financing (or, in the event any portion or all of the Debt Financing becomes unavailable, Alternate Debt Financing) on a timely basis, but in any event no later than the time the Closing is required to occur pursuant to [Section 1.3](#), on the terms and conditions (including, to the extent required, the full exercise of any “market flex” provisions in any Debt Fee Letter) set forth in the Commitment Letters, including, using its commercially reasonable efforts to (i) maintain in effect the Commitment Letters in accordance with the terms and subject to the conditions therein; provided that the Investor may replace or amend the Debt Commitment Letter as set forth herein; (ii) negotiate, enter into, execute and deliver on the Closing Date definitive agreements with respect to the Debt Financing contemplated by the Debt Commitment Letter and Debt Fee Letter on a timely basis subject only to the conditions (including any “market flex” provisions in the Debt Fee Letter) set forth in the Debt Commitment Letter and Debt Fee Letter or on other terms that are not less favorable from a conditionality and enforceability perspective to the Investor than the terms and conditions related to conditionality and enforceability set forth in the Debt Commitment Letter (including, to the extent required by the related “market flex” provisions), subject to any amendments, modifications or supplements thereto, or replacements or waivers thereof permitted by [Section 5.6\(a\)](#); (iii) satisfy on a timely basis (or obtain a waiver of) all conditions applicable to the Investor contained in the Debt Commitment Letter and such definitive agreements related thereto and in the Equity Commitment Letter at or prior to the time the Closing is required to occur pursuant to [Section 1.3](#) to the extent such conditions are within its control; (iv) in the event that all conditions contained in the Commitment Letters and any related definitive agreements have been satisfied (except those that, by their nature, are to be satisfied at the Closing) or waived, consummate the Financing at or prior to the Closing; and (v) enforce its rights pursuant to the Commitment Letters at or prior to the Closing. Notwithstanding anything to the contrary, nothing in this [Section 5.6\(b\)](#) shall (i) require funding of any equity financing other than the Equity Financing, (ii) the incurrence of any debt financing other than the Debt Financing or any Alternate Debt Financing, or (iii) the payment of fees in connection with the Debt Financing or Equity Financing in excess of the amounts contemplated by the Debt Commitment Letter (taking into account any “market flex” provisions applicable thereto contained in the Debt Fee Letter) and Equity Commitment Letter.

(c) Information. The Investor shall, upon written request of the Parent, keep the Parent reasonably informed on a current basis and in reasonable detail of the status of its commercially reasonable efforts to arrange the Financing. Without limiting the generality of the foregoing, the Investor shall give the Parent prompt notice in writing of (i) any material breach or default (or any event or circumstance that, with notice or lapse of time or both, would reasonably be expected to give rise to any material breach or default), cancellation, early termination or repudiation by any party to the Commitment Letters or definitive agreements related to the Financing; (ii) the receipt by the Investor of any written notice or written communication from any Debt Financing Source or party to the Equity Commitment Letter with respect to any actual material breach, default, cancellation, early termination or repudiation (or written notice or written communications from lenders or other sources of Debt Financing to the Investor of any such actual or threatened (in writing) material breach, default, cancellation, early termination or repudiation received by the Investor) by any party to the Commitment Letters or any definitive agreements related to the Financing of any provisions of the Commitment Letters or such definitive agreements; and (iii) the Investor becoming aware of any fact, circumstance, event or other development that would reasonably be expected to result in the Investor not being able to timely obtain all or any portion of the Financing in the amount required to consummate the transactions contemplated by this Agreement on the terms, in the manner or from the sources contemplated by the Commitment Letters or any definitive agreements related to the Financing. The Investor shall provide any information reasonably requested by the Parent relating to any of the circumstances referred to in the previous sentence as promptly as reasonably practical after the date that the Parent delivers a written request therefor to the Investor unless providing such information will violate any applicable privilege or confidentiality obligation.

(d) Alternate Debt Financing. If any portion of the Debt Financing becomes unavailable on the terms and conditions (including any “market flex” provisions in the Debt Fee Letter) contemplated in the Debt Commitment Letter and the Debt Fee Letter, the Investor shall promptly notify the Parent in writing and use its commercially reasonable efforts to, as promptly as reasonably practicable following the occurrence of such event (and in any event on or prior to the Closing Date), (i) arrange and obtain the Debt Financing or such portion of the Debt Financing from the same or alternative sources (the “Alternate Debt Financing”) in an amount sufficient, when taken with the available portion of the Financing, to fund the Required Amount on the Closing Date; provided, that, in no event shall the Investor be required to, and in no event shall its commercially reasonable efforts be deemed or construed to require it to, obtain alternative financing that includes terms and conditions, taken as a whole, that are materially less favorable than the terms and conditions, taken as a whole, set forth in the Debt Commitment Letter as of the date hereof (taking into account any “market flex” provisions applicable thereto contained in the Debt Fee Letter) or would require it to pay any fees or agree to pay any interest rate amounts or original issue discount, in either case, in excess of those contemplated by the Debt Commitment Letter as in effect on the date hereof (taking into account any “market flex” provisions applicable thereto contained in the Debt Fee Letters) or which include any conditions to the consummation of such alternative debt financing that would reasonably be expected to make the funding of such alternative debt financing less likely to occur, than the conditions set forth in the Debt Commitment Letter as of the date hereof; provided, further, that such Alternate Debt Financing shall not, without the prior written consent of the Parent contain conditions to funding and conditions to Closing that (1) are more onerous (in a manner adverse to the interests of the Parent and its Subsidiaries) than those conditions and terms contained in the Debt Commitment Letter and Debt Fee Letter or (2) would reasonably be expected to materially impair the Closing or make the Closing less likely to occur, and (ii) obtain one or more new financing commitment letters with respect to such Alternate Debt Financing (the “New Debt Commitment Letters”), which New Debt Commitment Letters will replace the existing Debt Commitment Letters in whole or in part. Parent will promptly provide a copy of any New Debt Commitment Letters (and any fee letter in connection therewith (which may be redacted solely with respect to fees and other customarily redacted economic provisions (including customary “market flex” terms))) to the Parent. Any reference in this Agreement to (X) the “Commitment Letters” or the “Debt Commitment Letter” will be deemed to include the Debt Commitment Letter to the extent not superseded by a New Debt

Commitment Letter at the time in question and any New Debt Commitment Letter (and any Debt Fee Letter in connection therewith (which may be redacted solely with respect to fees and other customarily redacted economic provisions (including customary “market flex” terms))) to the extent then in effect, (Y) the “Commitment Letters” shall refer to such documents as otherwise amended or modified in accordance with the terms of this Agreement, and (Z) the “Financing” means the financing contemplated by the Commitment Letters as amended or modified in accordance with the terms of this Agreement.

(e) **No Financing Condition.** The Investor acknowledges and agrees that none of the obtaining of the Financing or any Alternate Debt Financing or the Parent or any of its Subsidiaries having or maintaining any available cash balances is a condition to the Closing, subject to the applicable conditions set forth in Section 6.1 and Section 6.2.

Section 5.7 Interim Period Subsidiaries. Notwithstanding anything to the contrary set forth in this Agreement but subject to Section 5.1, during the Interim Period, the Company and its Subsidiaries shall be permitted to form or acquire additional Subsidiaries in the Ordinary Course of Business in connection with the acquisition, development or financing of renewable energy assets as set forth on Schedule 5.7 (any such subsidiary, an “Interim Period Subsidiary”). Upon the formation or acquisition of any Interim Period Subsidiary, such Interim Period Subsidiary shall automatically be deemed (i) a Subsidiary of the Parent, the Company and each applicable Subsidiary of the Company and (ii) an Affiliate of the Parent, the Company and each of its Subsidiaries, in each case, for all purposes of this Agreement. In furtherance of the foregoing, the Company shall have the right to amend the Disclosure Schedules solely to reflect the formation or acquisition of any Interim Period Subsidiary on Schedule 2.5(a) without the consent of the Investor.

Section 5.8 Further Assurances. From and after the Closing, from time to time, as and when requested by any Party and at such Party’s expense, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated hereby.

Section 5.9 Provision Respecting Representation. The Investor hereby agrees, on its own behalf and on behalf of its directors, members, partners, managers, members, officers, employees and Affiliates, that (a) McGuireWoods has been retained by, and may serve as counsel to, the Parent and its Affiliates, on the one hand, and the Company and its Subsidiaries, on the other hand, in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, (b) that McGuireWoods has not acted as counsel for any other Party in connection with the transactions contemplated hereby and that no other Party has the status of a client of McGuireWoods for conflict of interest or any other purposes as a result thereof and (c) that, following consummation of the transactions contemplated hereby, McGuireWoods (or any successor) may serve as counsel to the Parent or any director, member, partner, manager, officer, employee or Affiliate of the Parent or any of its respective Affiliates (including the Company and its Subsidiaries), in connection with any litigation, claim, action, suit, proceeding or obligation arising out of or relating to this Agreement or the transactions contemplated hereby. Notwithstanding such representation or any continued representation of the Company or any of its Subsidiaries, the Investor (on its own behalf and on behalf of its Affiliates) hereby consents thereto and waives any conflict of interest arising therefrom, and the Investor shall cause its Affiliates to consent to waive any conflict of interest arising from such representation. The Investor and the Parent hereby agree that, in the event that a dispute arises after the Closing between the Investor or its Affiliates, on the one hand, and any member of the Parent Group, on the other hand, McGuireWoods may represent such member in such dispute even though the interests of such member may be directly adverse to the Investor or its Affiliates, and even though McGuireWoods may have represented, or may be handling ongoing matters for, the Investor or its Affiliates. The Investor agrees that (x) all

communications among any member of the Parent Group, the Company and its Subsidiaries, any of their respective Affiliates, directors, officers, employees or Advisors, on the one hand, and McGuireWoods, on the other hand, that relate in any way to the negotiation, preparation, execution, delivery and closing under, or any dispute arising in connection with, this Agreement, or otherwise relating to any potential sale of Equity Interests in the Company or the transactions contemplated hereby (the “Protected Parent Communications”), shall be deemed to be privileged and confidential communications, (y) all rights to such Protected Parent Communications, the expectation of client confidentiality, and the control of the confidentiality and privilege applicable thereto, belong to and shall be retained by the Parent Group and (z) to the extent the Investor or any of its Affiliates should discover in its possession after the Closing any Protected Parent Communications, it shall take reasonable steps to preserve the confidentiality thereof and promptly deliver the same to the Parent, keeping no copies, and shall not by reason thereof assert any loss of confidentiality or privilege protection. As to any such Protected Parent Communications prior to the Closing Date, the Investor, together with any of its respective Affiliates, Subsidiaries, successors or assigns, further agree that none of the foregoing may use or rely on any of the Protected Parent Communications in any action against or involving the Parent Group or McGuireWoods after the Closing. The Protected Parent Communications may be used by the Parent Group in connection with any dispute that relates in any way to this Agreement or the transactions contemplated hereby.

Section 5.10 R&W Insurance Policy. In the event that the Investor or any of its Affiliates obtains a representations and warranties insurance policy in respect of the representations and warranties contained in this Agreement or in any certificate or other instrument contemplated by or delivered in connection with this Agreement (such policy, an “R&W Insurance Policy”), (a) all premiums, underwriting fees, brokers’ commissions and other costs and expenses related to such R&W Insurance Policy shall be borne solely by the Investor or such Affiliate of the Investor, (b) such R&W Insurance Policy shall not provide for any “seller retention”, and (c) such R&W Insurance Policy shall expressly waive any claims of subrogation against any member of the Parent Group or any of their respective Affiliates, except in the event of Fraud. At the request of the Investor, the Parent and the Company shall reasonably cooperate with the Investor with respect to the underwriting of any such R&W Insurance Policy, at the sole cost of the Investor.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1 Conditions to the Obligations of All Parties. The respective obligations of the Parties to consummate the Closing are subject to the satisfaction of the following conditions at or prior to the Closing:

(a) the Regulatory Approvals shall have been obtained, and shall not, as of the Closing, have been rescinded; and

(b) there shall not have been issued, enacted, entered, promulgated or enforced any Law or Order (that has not been vacated, withdrawn or overturned) restraining, enjoining or otherwise prohibiting the Closing, in each case by a Governmental Authority of competent jurisdiction (a “Restraint”).

Section 6.2 Conditions to the Obligations of Investor. The obligation of the Investor to consummate the Closing is subject to the satisfaction (or waiver by the Investor in writing, which may be given or withheld at the Investor's sole discretion) of the following conditions at or prior to the Closing:

(a) the representations and warranties set forth in Articles II and III shall be true and correct as of the Closing Date (disregarding all qualifications or limitations as to "materiality" or "Material Adverse Effect" (other than the use of "Material Adverse Effect" in Section 2.7(a)) and words of similar import set forth therein), as though such representations and warranties had been made on and as of the Closing Date (except that representations and warranties that speak to a specified date or period need be true and correct only with respect to such specified date or period), except where the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have a Material Adverse Effect; provided, that the Fundamental Representations set forth in Article II and Article III shall be true and correct in all respects (except where the failure of such Fundamental Representations to be true and correct is *de minimis* in nature); provided, further, that the representations and warranties set forth in Section 2.7(a) shall be true and correct in all respects;

(b) the Company and the Parent shall have each performed in all material respects all of the covenants and agreements required to be performed by each of them under this Agreement at or prior to the Closing;

(c) the Parent shall have delivered or caused to be delivered to Investor those items to be delivered by it and the Company set forth in Section 1.4;

(d) the Company shall have delivered to the Investor a properly completed and executed IRS Form W-9; and

(e) the Parent shall have delivered to the Investor a certificate of the Company and the Parent signed by an authorized officer of each of the Parent and the Company and dated as of the Closing Date, certifying that the conditions specified in Section 6.2(a) and Section 6.2(b) have been satisfied.

Section 6.3 Conditions to the Obligations of the Parent and the Company. The obligation of the Parent and the Company to consummate the Closing is subject to the satisfaction (or waiver by the Parent or the Company, as applicable, in writing, which may be given or withheld in the Parent's or the Company's, as applicable, sole discretion) of the following conditions at or prior to the Closing:

(a) the representations and warranties set forth in Article IV shall be true and correct as of the Closing Date (disregarding all qualifications or limitations as to "materiality" or words of similar import set forth therein), as though such representations and warranties had been made on and as of the Closing Date (except that representations and warranties that speak to a specified date or period need be true and correct only with respect to such specified date or period), except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or impair the ability of the Investor to perform its obligations under this Agreement or consummate the transactions contemplated hereby; provided, that the Fundamental Representations set forth in Article IV shall be true and correct in all respects (except where the failure of such Fundamental Representations to be true and correct is *de minimis* in nature);

(b) the Investor shall have performed in all material respects each of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing;

(c) the Parent shall have delivered or caused to be delivered to Investor those items to be delivered by it and the Company set forth in Section 1.4;

(d) the Investor shall have delivered to the Parent a properly completed and executed IRS Form W-9 or IRS Form W-8, as applicable; and

(e) the Investor shall have delivered to the Parent and the Company a certificate signed by an authorized officer of the Investor and dated as of the Closing Date, certifying that the conditions specified in Section 6.3(a) and Section 6.3(b) have been satisfied.

Section 6.4 Waiver of Conditions. None of the Parties may rely, as a basis for not consummating the Closing, on the failure of any condition set forth in this Article VI (excluding the conditions set forth in Section 6.1(a)) to be satisfied if such failure was caused by the failure of such Party to perform any of its obligations under this Agreement.

ARTICLE VII

TERMINATION

Section 7.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing as set forth in this Article VII and in no other manner:

(a) by the mutual written consent of the Parties;

(b) by either Party if:

(i) the Closing shall not have occurred on or before the one-year anniversary of the Effective Date (the “Outside Date”); provided, however, that notwithstanding the foregoing, the right to terminate this Agreement pursuant to this Section 7.1(b)(i) shall not be available to a Party if the failure to consummate the Closing on or before the Outside Date was caused by the failure of such Party to perform any of its obligations under this Agreement; or

(ii) any Restraint having the effect set forth in Section 6.1(b) shall be in effect and shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 7.1(b)(ii) shall not be available to a Party if the issuance of such final, non-appealable Restraint was caused by the failure of such Party to perform any of its obligations under this Agreement;

(c) by the Investor, if the Parent or the Company shall have breached or failed to perform any of their respective representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 6.1 or Section 6.2, respectively, and (ii) cannot be cured such that the failure of the applicable condition set forth in Section 6.1 or Section 6.2 in respect thereof would be resolved or, if capable of being so cured, has not been so cured by the earlier of (A) thirty (30) days following receipt of written notice from the Investor stating the Investor’s intention to terminate this Agreement pursuant to this Section 7.1(c) and the basis for such termination and (B) the Outside Date; provided, that the Investor shall not have the right to terminate this Agreement pursuant to this Section 7.1(c) if it is then in material breach of any representation, warranty, covenant or other agreement hereunder;

(d) by the Investor, if (i) the conditions set forth in Sections 6.1 and 6.3 (other than those conditions that by their nature are to be first satisfied at the Closing) have been satisfied or waived, (ii) the conditions set forth in Section 6.2 have been first satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or waived by the Investor and (iii) the Parent fails to effect the Closing within two (2) Business Days after the date on which the Closing was required to have occurred pursuant to Section 1.2 (or, if earlier, the Outside Date).

(e) by the Parent or the Company, if the Investor shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 6.1 or Section 6.3, respectively, and (ii) cannot be cured such that the failure of the applicable condition set forth in Section 6.1 or Section 6.3 in respect thereof would be resolved or, if capable of being so cured, has not been so cured by the earlier of (A) thirty (30) days following receipt of written notice from the Parent or the Company, as applicable, stating its intention to terminate this Agreement pursuant to this Section 7.1(e) and the basis for such termination and (B) the Outside Date; provided, that the Parent or the Company, as applicable, shall not have the right to terminate this Agreement pursuant to this Section 7.1(e) if either the Parent or the Company is then in material breach of any representation, warranty, covenant or other agreement hereunder; or

(f) by the Parent or the Company, if (i) the conditions set forth in Sections 6.1 and 6.2 (other than those conditions that by their nature are to be first satisfied at the Closing) have been satisfied or waived, (ii) the conditions set forth in Section 6.3 have been first satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or waived by the Parent or the Company, as applicable, and (iii) the Investor fails to effect the Closing within two (2) Business Days after the date on which the Closing was required to have occurred pursuant to Section 1.2 (or, if earlier, the Outside Date).

Section 7.2 Effect of Termination

(a) In the event of the termination of this Agreement as provided in Section 7.1, written notice thereof shall be given by the terminating Party to the other Party or Parties (except in the event of a termination pursuant to Section 7.1(a)), specifying the provision hereof pursuant to which such termination is made, and, thereafter, this Agreement shall forthwith become null and void (other than this Section 7.2, Section 8.2 and Article X (excluding Section 10.12 except in relation to enforcement of any Surviving Provision), and the Investor's indemnification obligations under Section 5.2(b) (collectively, the "Surviving Provisions"), all of which shall survive termination of this Agreement), and there shall be no liability on the part of any Party under this Agreement other than in respect of the Surviving Provisions; provided, however, that subject to Section 7.2(b), no such termination shall relieve any Party of any liability for damages to any other Party resulting from any Fraud or Willful Breach of this Agreement by the Party committing such Fraud or Willful Breach prior to such termination, and the aggrieved Party shall be entitled to all rights and remedies available at law or in equity. Nothing in this Article VII shall prohibit any Party from seeking specific performance of the terms of this Agreement prior to the termination of this Agreement pursuant to, and on the terms and conditions of, Section 10.12.

(b) Termination Fee. The Investor shall pay or cause to be paid to the Parent or its designee a non-refundable fee of One Hundred Million Dollars (\$100,000,000) (the "Termination Fee") if:

(i) this Agreement is terminated by the Parent or the Company pursuant to Section 7.1(e), and at such time of termination the conditions set forth in Section 6.1 shall have been satisfied (except for any such conditions that have not been satisfied as a result of a breach by the Investor of its obligations under this Agreement) and the conditions set forth in Section 6.2 shall have been satisfied (except for any conditions that by their nature are to be satisfied at the Closing); or

(ii) this Agreement is terminated by the Parent or the Company pursuant to Section 7.1(f).

(c) If the Termination Fee becomes due pursuant to Section 7.2(b), the Investor shall pay the Parent or its designee the Termination Fee by wire transfer of immediately available funds within five (5) Business Days of the date of termination of this Agreement, it being understood that in no event shall the Investor be required to pay the Termination Fee on more than one occasion. The Parent shall provide to the Investor a notice designating an account for purposes of payment of the Termination Fee within twenty-four (24) hours of a request by the Investor to provide such information.

(d) Notwithstanding anything to the contrary in this Agreement, if this Agreement is terminated, the right of the Parent to receive the payment of the Termination Fee shall be the Parent's and the Company's sole and exclusive remedy against the Investor (including the Investor Guarantor and the Debt Financing Sources) and any of their respective Affiliates and Representatives (each a "Related Party") for any loss, damage or recovery of any kind (including consequential, indirect or punitive damages, and whether at Law, in equity or otherwise) arising under or in connection with any breach of this Agreement or otherwise in connection with the transactions contemplated hereby or in respect of any oral representations made or alleged to be made in connection therewith; provided, that, for the avoidance of doubt, nothing in this Section 7.2(d) shall in any way limit any Party's rights under Section 10.12. Upon payment in full of the Termination Fee, (i) no Related Party shall have any further liability or obligation relating to or arising out of this Agreement, any agreement delivered in connection with this Agreement, or any of the transactions contemplated hereby or thereby (or the abandonment or termination hereof or thereof), (ii) neither the Parent nor any of its respective Affiliates (including the Company) shall be entitled to bring or maintain any action, suit or proceeding against any Related Party arising out of or in connection with this Agreement, any agreement delivered in connection with this Agreement or any of the transactions contemplated hereby or thereby (or the abandonment or termination hereof or thereof) or any matters forming the basis for such termination and (iii) the Parent shall cause any action, suit or proceeding initiated thereby in connection with this Agreement, any agreement delivered in connection with this Agreement or any of the transactions contemplated hereby or thereby (or the abandonment or termination hereof or thereof), solely to the extent maintained by the Parent or any of its Affiliates against any Related Party, to be dismissed with prejudice promptly, and in any event within five (5) Business Days after the payment of the Termination Fee. The Parent shall not be entitled to collect the Termination Fee on more than one occasion. While the Parent may pursue as alternative remedies in the same or related legal proceeding(s) both specific performance in accordance with Section 10.12 and payment of the Termination Fee, under no circumstance shall the Parent be permitted or entitled to receive both a grant of specific performance to require the consummation of the Closing and payment of the Termination Fee.

(e) Each Party acknowledges that the agreements contained in Section 7.2 are an integral part of the transactions contemplated by this Agreement and that, without these agreements, such Party would not enter into this Agreement. Accordingly, in the event the Investor fails to promptly pay the Termination Fee in accordance with Section 7.2(b), then the Investor shall also pay any reasonable out-of-pocket costs, fees and expenses incurred by the Parent and its Affiliates (including reasonable legal fees and expenses) in connection with a proceeding to enforce this Agreement in which the Parent prevails. Any amount not paid when due pursuant to Section 7.2(b) or this Section 7.2(c) shall bear interest from the date such amount is due until the date paid at a rate equal to the prime rate as published in The Wall Street Journal, Eastern Edition, in effect on the date of such payment.

ARTICLE VIII

NON-SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND CERTAIN COVENANTS

Section 8.1 Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers.

(a) Each of the representations and warranties and the covenants and agreements (to the extent such covenant or agreement contemplates or requires performance by a Party prior to the Closing) of the Parties set forth in this Agreement or in any other document contemplated hereby (other than the Operating Agreement), or in any certificate delivered hereunder or thereunder, will terminate effective immediately as of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement, detrimental reliance or other right or remedy (whether in contract, in tort or at law or in equity) may be brought with respect thereto after the Closing, other than in respect of Fraud.

(b) Each covenant and agreement that explicitly contemplates performance at or after the Closing, will, in each case and to such extent, expressly survive the Closing in accordance with its terms, and if no term is specified, then for seven (7) years following the Closing Date, and nothing in this Section 8.1 will be deemed to limit any rights or remedies of any Person for breach of any such surviving covenant or agreement (it being understood that nothing herein will limit or affect the Investor's or any of its Affiliates' liability, or the Investor Guarantor's liability, as the case may be, for the failure to pay the full Closing Purchase Price and to pay any other amounts payable by it or them at or prior to the Closing as and when required by this Agreement). Notwithstanding anything to the contrary in this Agreement, nothing in this Section 8.1 shall affect or otherwise limit any claim made or available under an R&W Insurance Policy. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall limit the right of any Party with respect to any claims or remedies of a Party for Fraud.

(c) The Investor and the Parent acknowledge and agree, on their own behalf and on behalf of the Investor Group, the Parent Group, the Company and its Subsidiaries, as the case may be, that the agreements contained in this Section 8.1 are an integral part of the transactions contemplated hereby and that, without the agreements set forth in this Section 8.1, none of the Parties would enter into this Agreement.

Section 8.2 No Additional Representations or Warranties; No Outside Reliance.

(a) The Investor acknowledges and agrees, on behalf of itself and the Investor Group, that (i) the representations and warranties regarding the Company and its Subsidiaries expressly contained in Article II and regarding the Parent expressly contained in Article III (collectively, the "Express Representations") are the sole and exclusive representations, warranties and statements of any kind or nature made to the Investor, any member of the Investor Group or any other Person related to them, (ii) except for the Express Representations, (A) none of the Parent, the Company or any other Person on behalf of Parent or the Company makes, and neither the Investor nor any member of the Investor Group has relied on or is relying on the accuracy or completeness of, or any other matter with respect to, any representation, warranty or statement of any kind or nature (whether in written, electronic or oral form) with respect to the Company, any of its Subsidiaries, the Parent or otherwise, including any representation or warranty as to the quality, merchantability, fitness for a particular purpose or condition of the Company's or its Subsidiaries' businesses, operations, assets, liabilities, prospects or any portion thereof, (iii) except for the Express Representations, all representations, warranties and statements of any kind or nature (whether in written, electronic or oral form) are, in each case, specifically disclaimed by the Parent and the Company on behalf of themselves and the Parent Group and (iv) none of the Parent, the Company or any other Person shall have or be subject to any liability whatsoever to the Investor or any other Person resulting from the distribution to any member of the Investor Group of, or any member of the Investor Group's use of or purported reliance on, any information (whether in written, electronic or oral form) provided by or on behalf of the Parent other than the Express Representations, including the financial model, CIM, any information, statements, disclosures, documents or other materials made available in the Data Room, any projections, forward-looking statements or other forecasts (including in the financial model, CIM, Data Room, management meetings and similar items) (collectively, "Projections") or otherwise in expectation of the transactions contemplated hereby or any discussions with respect to any of the foregoing information.

(b) The Investor acknowledges and agrees, on behalf of itself and the Investor Group, that (i) the Investor has conducted to its full satisfaction an independent investigation and verification of the business, financial condition, results of operations, assets, Liabilities, properties, Contracts and prospects of the Company and its Subsidiaries and (ii) in making its determination to proceed with the transactions contemplated hereby, the Investor and the Investor Group have relied solely on the results of the Investor Group's own independent investigation and verification, and have not relied on and are not relying on the Company, its Subsidiaries, any member of the Parent Group, the CIM, any information, statements, disclosures, documents or other materials made available in the Data Room, the Projections or any other information (whether in written, electronic or oral form), except for the Express Representations. Without limiting the generality of the foregoing, the Investor acknowledges and agrees, on its own behalf and on behalf of the Investor Group, that (A) the Projections are being provided solely for the convenience of the Investor to facilitate its own independent investigation of the Company and its Subsidiaries, (B) there are uncertainties inherent in attempting to make such Projections, (C) the Investor is familiar with such uncertainties and (D) the Investor is taking full responsibility for making its own evaluation of the adequacy and accuracy of all Projections (including the reasonableness of the assumptions underlying such Projections).

(c) Except for the representations and warranties expressly contained in Article IV, each of the Company and Parent acknowledges and agrees, on behalf of itself and the Parent Group, that neither Investor, the Investor Guarantor nor any other Person on behalf of Investor or the Investor Guarantor makes, and none of the Company, Parent or any member of the Parent Group has relied on or is relying on the accuracy or completeness of, any other express or implied representation, warranty or statement of any kind or nature with respect to Investor, the Investor Guarantor or any Affiliate of Investor or with respect to any other information provided to the Company and Parent by Investor or any of its Affiliates.

ARTICLE IX

CERTAIN TAX MATTERS

Section 9.1 Transfer Taxes. At the Closing or, if due thereafter, promptly when due, all transfer Taxes, real property transfer Taxes, sales Taxes, use Taxes, stamp Taxes, conveyance Taxes and any other similar Taxes applicable to, arising out of or imposed upon the sale of the Purchased Interests hereunder (collectively, "Transfer Taxes") shall be borne and paid by the Investor. The Investor shall prepare all necessary documentation and Tax Returns with respect to such Transfer Taxes, and the Investor, Parent and the Company shall reasonably cooperate with the Investor in the preparation and filing of such Tax Returns and the minimizing of any Transfer Taxes (including the preparation and filing of any applicable exemptions). For clarity, Transfer Taxes shall not include any Taxes incurred as a result of any pre-Closing restructuring or reorganization.

Section 9.2 Tax Allocation. The Purchase Price plus any assumed liabilities (to the extent properly taken into account for applicable Tax purposes) for U.S. federal income Tax purposes shall be allocated among the assets of the Company for purposes of determining items of income, gain, loss, or deduction pursuant to Section 704(c) of the Code and the Treasury Regulations promulgated thereunder (the "Allocation"), which allocation shall be consistent in all material respects with the principles set forth in Schedule 9.2 (the "Allocation Methodology"). The Company's net book value for purposes of the Allocation Methodology will be consistent with the net book value of assets reflected in the Model Allocation but adjusted to reflect the effects of ordinary course operations of the business from December 31, 2022 through Closing consistent with the methodology in the Project Blue Structure Model Spreadsheet, unless otherwise agreed to by the Parent and the Investor. A draft schedule of proposed Allocation shall be delivered by Parent to Investor within ninety (90) days after the Closing Date. Investor shall have thirty (30) days from receipt of the proposed Allocation to review and comment, and the Parties shall work

together in good faith to resolve any disagreements regarding the Allocation that are raised by Investor in writing within such thirty (30) day period. To the extent that Investor and Parent are unable to resolve any dispute regarding the Allocation within ten (10) days after Parent's receipt of Investor's comments, then Investor and Parent shall jointly submit the remaining disputed items for resolution to the Independent Accountants (and equally share the cost of such Independent Accountants) and the Independent Accountant's determination shall be binding upon the Parties. No Party shall take or permit others to take on its behalf any position, whether in connection with a Tax audit, a Tax Return or otherwise, that is inconsistent with the Allocation (as finally determined) unless required to do so pursuant to a final "determination" within the meaning of Section 1313(a) or other applicable Law.

Section 9.3 Tax Treatment. The parties intend that the transactions contemplated by this Agreement are intended to be treated, for purposes of U.S. federal income Tax purposes (and any state income tax laws that incorporate or follow U.S. federal income tax principles), as follows: (A) the formation of Company as a partnership is intended to be treated in accordance with Rev. Rul. 99-5, 1999-1 C.B. 434, Situation 2, in which Investor and Parent will be treated as partners and, (i) the contribution by Parent of all the assets of the Company to the newly formed partnership in exchange for an interest therein is intended to be treated as a Tax-deferred contribution pursuant to Section 721(a) of the Code; and (ii) the contribution by Investor of an amount equal to Final Purchase Price to the newly formed partnership in exchange for an interest therein is intended to be treated as a Tax-deferred contribution pursuant to Section 721(a) of the Code, and (B) the Special Distribution is intended to be treated as a reimbursement of certain preformation capital expenditures pursuant to Treasury Regulations Section 1.707-(d). No Party shall take or permit others to take on its behalf any position, whether in connection with a Tax audit, a Tax Return or otherwise, that is inconsistent with the foregoing unless required to do so pursuant to a final "determination" within the meaning of Section 1313(a) or other applicable Law.

Section 9.4 Tax Allocation Agreement. The Parties agree that neither the Company nor any of its Subsidiaries (other than NIPSCO and NIPSCO Accounts Receivable Corporation) is a party to the Amended and Restated Intercompany Income Tax Allocation Agreement between NiSource Inc., and Subsidiary Companies dated as of March 27, 2020 (the "Tax Allocation Agreement") and that, from and after the Closing, none of the Company or any of its Subsidiaries will be a party to, or have any liability under, the Tax Allocation Agreement.

ARTICLE X

MISCELLANEOUS

Section 10.1 Press Releases and Communications. No press release or public announcement related to this Agreement (including any of the terms of this Agreement) or the transactions contemplated hereby (including any press release or other public announcement disclosing the transaction consideration (or any other amounts related thereto)) shall be issued or made without the approval of each of the Parties, unless required by Law or stock exchange rules or regulations, in which case the other Parties shall have the right to review and comment on such press release or announcement prior to publication.

Section 10.2 Confidentiality. The Confidentiality Agreement shall survive the termination of this Agreement in accordance with its terms, and upon the Closing, the Confidentiality Agreement shall terminate in accordance with its terms.

Section 10.3 Expenses. Whether or not the Closing takes place, except as otherwise expressly provided herein (including Sections 5.3(a) and 9.1), each Party shall bear its own fees, costs and expenses (including fees, costs and expenses of Advisors) incurred in connection with the evaluation of the transactions contemplated hereby and with the negotiation of this Agreement and the other agreements contemplated hereby; provided, that the Parent shall be responsible for all Company Transaction Expenses.

Section 10.4 Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when delivered by email transmission (with confirmation of transmission), (c) sent by internationally-recognized courier, in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third (3rd) Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Party.

Notices to the Investor:

BIP Blue Buyer L.L.C.
345 Park Avenue
New York, NY 10154
Attention: Legal Counsel – Blackstone Infrastructure Partners; Max Wade
Email: BIP-Legal@blackstone.com; max.wade@blackstone.com

with a copy to (which shall not constitute notice):

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attention: Ravi Purohit; David Allinson
Email: ravi.purohit@lw.com; david.allinson@lw.com

Notices to the Parent:

NiSource Inc.
290 W. Nationwide Boulevard
Columbus, OH 43215
Attention: Shawn Anderson, Executive Vice President and Chief Financial Officer
Email: sanderson@nisource.com

with copies to (which shall not constitute notice):

McGuireWoods LLP
Gateway Plaza
800 E. Canal Street
Richmond, VA 23219
Attention: Joanne Katsantonis; Emilie McNally
E-mail: jkatsantonis@mcguirewoods.com; emcnally@mcguirewoods.com

Section 10.5 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, that (i) neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated without the prior written consent of all of the Parties, and (ii) this Agreement shall not be assignable unless such prior written consent is so obtained, and any attempted or purported assignment hereof in the absence of such prior written consent shall be void ab initio; provided, however, that the Investor may assign this Agreement to an Affiliate without consent so long as Investor remains liable for the performance of its obligations hereunder.

Section 10.6 Amendment and Waiver. Except as set forth in Section 10.19, any provision of this Agreement or the Disclosure Schedules or exhibits hereto may be (a) amended only in a writing signed by each of the Parties or (b) waived only in a writing executed by the Person against which enforcement of such waiver is sought. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.7 Third Party Beneficiaries; Non-Recourse.

(a) Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

(b) This Agreement may only be enforced against, and any claim, action, suit, proceeding or investigation based upon, arising out of or related to this Agreement may only be brought against, the Persons that are expressly named as Parties to this Agreement. Except to the extent named as a Party to this Agreement, and then only to the extent of the specific obligations of such Parties set forth in this Agreement, no past, present or future shareholder, member, partner, manager, director, officer, employee, Affiliate (without giving effect to the proviso set forth in the definition thereof), agent or Advisor of any Party, the Company or any Subsidiary of the Company shall have any liability (whether in contract, tort, equity or otherwise or by or through theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, undercapitalization or any other attempt to avoid or disregard the entity form of any Person not a Party) for any of the representations, warranties, covenants, agreements or other obligations or Liabilities of any of the Parties or for any claim, action, suit, proceeding or investigation based upon, arising out of or related to this Agreement.

Section 10.8 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

Section 10.9 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 10.10 Disclosure Schedules. The Disclosure Schedules have been arranged for purposes of convenience in separately numbered sections corresponding to the sections of this Agreement. Any item or matter disclosed in any section or subsection of the Disclosure Schedules shall be deemed disclosed with respect to any other section or subsection of the Disclosure Schedules to the extent that the relevance of such item or matter to such other section or subsection is reasonably apparent on the face of such disclosure. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement, the Disclosure Schedules or the attached exhibits is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course of Business, and no Party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement, the Disclosure Schedules or exhibits in any dispute or controversy between the Parties as to whether any obligation, item or matter not set forth or included in this Agreement, the Disclosure Schedules or exhibits is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course of Business. In addition, matters reflected in the Disclosure Schedules are not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. No information set forth in the Disclosure Schedules shall be deemed to broaden in any way the scope of the Parties' representations and warranties. Any description of any agreement, document, instrument, plan, arrangement or other item set forth on any Disclosure Schedule is a summary only and is qualified in its entirety by the terms of such agreement, document, instrument, plan, arrangement or item to the extent made available to the Investor. The information contained in this Agreement, in the Disclosure Schedules and exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any Party to any third party of any matter whatsoever, including any violation of Law or breach of contract.

Section 10.11 Complete Agreement. This Agreement, together with the Confidentiality Agreement and any other agreements expressly referred to herein or therein, contains the entire agreement of the Parties respecting the sale and purchase of the Purchased Interests and the transactions contemplated hereby and supersedes all prior agreements among the Parties respecting the sale and purchase of the Purchased Interests.

Section 10.12 Specific Performance.

(a) The Parties agree that irreparable damage, for which monetary relief, even if available, may not be an adequate remedy, may occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if any Party fails to take any action required of it hereunder to consummate the transactions contemplated hereby. It is accordingly agreed that (a) the Parties shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 10.13 without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of the transactions contemplated hereby, and without that right, none of the Parties would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 10.12 shall not be required to provide any bond or other security in connection with any such Order. The remedies available to the Parties pursuant to this Section 10.12 shall be in addition to any other remedy to which they may be entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit any Party from seeking to collect or collecting damages. Each Party agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. The Parties further agree that nothing set forth in this Section 10.12 shall require any Party to institute any action for (or limit any Party's right to institute any action for) specific performance under this Section 10.12 prior or as a condition to exercising any termination right under Article VII (and pursuing available remedies, including damages, after such termination).

Section 10.13 Jurisdiction and Exclusive Venue. Each of the Parties irrevocably agrees that any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement and the transactions contemplated hereby brought by any other Party or its successors or assigns shall be brought and determined only in the Delaware Chancery Court and any state court sitting in the State of Delaware to which an appeal from the Delaware Chancery Court may be validly taken (or, if the Delaware Chancery Court declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such claim, action, suit, proceeding or investigation arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the Parties agrees not to commence any claim, action, suit, proceeding or investigation relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein, and no Party shall file a motion to dismiss any action filed in a state or federal court in the State of Delaware, on any jurisdictional or venue-related grounds, including the doctrine of *forum non conveniens*. The Parties irrevocably agree that venue would be proper in any of the courts in Delaware described above, and hereby irrevocably waive any objection that any such court is an improper or inconvenient forum for the resolution of such suit, action or proceeding. Each of the Parties further irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 10.4. Nothing in this Agreement shall affect the right of any Party to serve process in any other manner permitted by applicable Law.

Section 10.14 Governing Law; Waiver of Jury Trial.

(a) This Agreement, and any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regard to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY, PROCEEDING, COUNTERCLAIM OR ACTION (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) THAT MAY ARISE UNDER THIS AGREEMENT, THE DOCUMENTS AND AGREEMENTS CONTEMPLATED HEREBY AND THE TRANSACTIONS CONTEMPLATED HEREBY, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY CLAIM, ACTION, SUIT, INVESTIGATION OR PROCEEDING BASED ON, ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER LEGAL OR EQUITABLE THEORY. EACH OF THE PARTIES AGREES AND CONSENTS

THAT ANY SUCH CLAIM, DEMAND, ACTION OR PROCEEDING SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE IRREVOCABLE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY (I) CERTIFIES THAT NO ADVISOR OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.14.

Section 10.15 No Right of Set-Off. Each Party, on its own behalf and on behalf of its successors and permitted assigns, hereby waives any rights of set-off, retention, netting, offset, recoupment or similar rights that such Party or any of its respective successors and permitted assigns has or may have with respect to any payments to be made by such Party pursuant to this Agreement or any other document or instrument delivered by or on behalf of such Party in connection herewith.

Section 10.16 Counterparts. This Agreement may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. The Parties agree that the delivery of this Agreement, and any other agreements and documents at the Closing, may be effected by means of an exchange of facsimile or electronically transmitted signatures.

Section 10.17 Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

“Additional Capital Contribution Amount” means an amount that is equal to the product of (a) 19.9% multiplied by (b) the aggregate amount of any capital contributions to, or investments of any additional capital in, the Company, made by the Parent on or after January 1, 2024 and prior to the Closing; provided, that such Additional Capital Contribution Amount shall not exceed \$100,000,000.

“Advisors” means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers or other representatives of such Person.

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise; provided, however, that, except with respect to collecting relevant information pursuant to Section 5.3(a) and Section 5.3(b)(ii), (i) no portfolio company of any investment fund affiliated with or advised by The Blackstone Group Inc. or Blackstone Infrastructure Partners L.P. shall be deemed to be an “Affiliate” of the Investor (excluding the Investor’s Subsidiaries) and (ii) no investment fund affiliated with or advised by The Blackstone Group Inc. shall be deemed an “Affiliate” of the Investor (excluding Blackstone Infrastructure Partners L.P. together with its controlled investment vehicles).

“Affiliate Contract” means any Contract between the Company or one of its Subsidiaries, on the one hand, and Parent or any Affiliate of Parent (other than the Company or one of its Subsidiaries), on the other hand.

“Affiliate Transactions” has the meaning set forth in Section 2.18.

“Agreement” has the meaning set forth in the Preamble.

“Allocation” has the meaning set forth in Section 9.2.

“Allocation Methodology” has the meaning set forth in Section 9.2.

“Alternate Debt Financing” has the meaning set forth in Section 5.6(d).

“Ancillary Real Property” means all real property in which the Company or any of its Subsidiaries has rights pursuant to an easement, right of way, license, crossing agreement or other similar Contract for real property rights that are material to the Company or any of its Subsidiaries and their respective businesses.

“Ancillary Real Property Agreement” means each Contract pursuant to which rights in Ancillary Real Property are granted or otherwise provided to the Company or any of its Subsidiaries, together with all modifications, amendments, extensions and supplement thereto.

“Anti-Corruption Laws” means any Law concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Authority.

“Anti-Money Laundering Laws” means any Law concerning or relating to money laundering, any predicate crime to money laundering or any record keeping, disclosure or reporting requirements related to money laundering imposed, administered or enforced by any Governmental Authority.

“Balance Sheet Date” has the meaning set forth in Section 2.6(a).

“Bankruptcy and Equity Exception” has the meaning set forth in Section 2.1(d).

“Base Purchase Price” has the meaning set forth in Section 1.2(a).

“Benefit Plan” means (a) all “employee benefit plans,” as defined in Section 3(3) of ERISA, whether or not subject to ERISA and (b) all plans, contracts, agreements, programs or arrangements of any kind (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic) providing for compensation or benefits, including supplemental unemployment benefits, severance, salary continuation, retention, change in control, termination, retirement, pension, life, health, disability, accident or other welfare benefits or for deferred compensation, bonuses, stock options, stock appreciation rights, restricted stock, restricted stock units, phantom stock or other forms of incentive compensation, profit sharing or post retirement insurance, compensation or benefits, in any case (i) that Parent, the Company or any of their respective Subsidiaries sponsors, maintains or contributes to (or are required to contribute to) for the benefit of any current or former Company Employee or other service provider of the Company or any of its Subsidiaries or their dependents or beneficiaries, or (ii) pursuant to which the Company or any of its Subsidiaries has any obligation or Liability.

“Business Day” means any day other than a Saturday, Sunday or a day on which banking institutions located in New York, New York or Delaware are closed generally.

“CIM” means the Confidential Information Memorandum prepared by or on behalf of the Parent.

“Closing” has the meaning set forth in Section 1.3.

“Closing Date” has the meaning set forth in Section 1.3.

“Closing Purchase Price” has the meaning set forth in Section 1.2(a).

“Code” means the Internal Revenue Code of 1986, as amended.

“Collective Bargaining Agreements” has the meaning set forth in Section 2.13(a).

“Commitment Letters” means the Debt Commitment Letter and the Equity Commitment Letter.

“Company” has the meaning set forth in the Preamble.

“Company Employee” has the meaning set forth in Section 2.13(c).

“Company Transaction Expenses” means, (i) the legal, accounting, financial advisory, transaction, consulting and other advisory fees and expenses incurred by the Company or any of its Subsidiaries (whether accrued or otherwise) in connection with the transactions contemplated by this Agreement and (ii) any fees, costs, expenses of, payments or other Liabilities of the Company or any of its Subsidiaries related to or arising from (x) severance or similar obligations payable to any employee, officer, consultant, director or other service provider of the Company or any of its Subsidiaries, or (y) any stay bonuses, transaction or sale bonuses, retention payments, change-of-control payments or other compensatory payments to any current or former employee, officer, consultant, director or other service provider of the Company or any of its subsidiaries, in each of cases (x) and (y), that will be triggered upon, or in connection with, the execution of this Agreement or the consummation of the transactions contemplated by the Agreement, and including the employer portion of any related employment, payroll or social security Taxes.

“Confidentiality Agreement” means that certain Confidentiality Agreement between the Parent and Blackstone Infrastructure Advisors L.L.C. dated as of February 10, 2023.

“Contract” means any written agreement, arrangement, commitment, indenture, instrument, purchase order, license or other binding agreement.

“Data Room” means that certain “Project Blue” datasite administered by Intralinks, which has been made available to the Investor in connection with the transactions contemplated by this Agreement.

“Debt Commitment Letter” means that certain debt commitment letter addressed to the Investor, a true and complete copy of which has been delivered to Parent concurrently with the execution of this Agreement, as amended, restated, amended and restated, supplemented or otherwise modified in accordance with Section 5.6(a) or replaced in accordance with Section 5.6(d), pursuant to which the financial institutions party thereto have agreed, subject only to the conditions set forth therein, to provide or cause to be provided the debt financing described therein.

“Debt Fee Letter” means that certain fee letter relating to the Debt Financing, a true and complete copy of which has been delivered to Parent concurrently with the execution of this Agreement (which Debt Fee Letter has been redacted to remove only those items related to fees, economic terms, and any “market flex” provisions), as amended, restated, amended and restated, supplemented or otherwise modified in accordance with this Agreement or replaced in accordance with Section 5.6(d).

“Debt Financing” means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter.

“Debt Financing Documents” means the agreement, documents and certificates contemplated by the Debt Financing, including:

(a) all credit agreements, security agreements, and guarantee agreements relating to the Debt Financing;

(b) all officer, secretary, solvency and perfection certificates, and legal opinions to be provided in connection with the Debt Financing; and

(c) agreements, documents or certificates relating to the creation, perfection or enforcement of liens securing the Debt Financing, including control agreements, access letters and similar arrangements, surveys and title insurance with respect to real property, and intellectual property security agreements.

“Debt Financing Source” means each party that has committed to provide or arrange or otherwise entered into agreements in connection with the Debt Financing, including the Debt Commitment Letter, and the parties to any joinder agreements or any definitive documentation entered pursuant thereto or relating thereto, together with their respective Affiliates and their and their respective Affiliates’ former, current and future officers, directors, employees, agents and representatives and their respective successors and assigns.

“Disclosure Schedules” has the meaning set forth in Article II.

“Dispute Notice” has the meaning set forth in Section 1.2(c)(ii).

“Early Closing Time Value Adjustment” means an amount equal to (i) the Base Purchase Price; multiplied by (ii) the daily interest rate based on a 10% annual interest rate, multiplied by (iii) the number of days that will elapse between the Closing Date and December 31, 2023, which, for the avoidance of doubt, shall not include the Closing Date in the calculation of such number of days elapsed.

“Effective Date” has the meaning set forth in the Preamble.

“Emergency Situation” means, with respect to the business of the Company and its Subsidiaries, any abnormal system condition or abnormal situation requiring immediate action to maintain the system, frequency, loading within acceptable limits or voltage or to prevent loss of firm load, material equipment damage or tripping of system elements that would reasonably be expected to materially and adversely affect reliability of an electric system or any other occurrence or condition that requires immediate action to prevent or mitigate an immediate and material threat to the safety of Persons or the operational integrity of the assets and business of the Company or its Subsidiaries or any other condition or occurrence requiring prompt implementation of emergency procedures as defined by the applicable transmission grid operator, distribution or transmitting utility.

“Environmental Laws” means all applicable Laws concerning (a) the presence, use, production, generation, manufacture, handling, labeling, transportation, treatment, recycling, storage, disposal, emission, discharge, release, threatened release, control or cleanup of, or exposure to, Hazardous Substances, (b) pollution, or (c) the protection of the environment or natural resources.

“Equity Commitment Letter” means the equity financing commitment letter addressed to the Investor, a true and complete copy of which has been delivered to the Parent concurrently with the effectiveness of this Agreement, pursuant to which the Affiliate(s) of the Investor named therein have agreed, subject only to the conditions set forth therein, to provide or cause to be provided the equity financing described therein.

“Equity Contribution Excess” means an amount equal to: (i) the aggregate amount of common equity cash contributions made by Parent to the Company from January 1, 2023 through December 31, 2023 (which, for the avoidance of doubt, such amounts shall not include contributions made in the form of shareholder loans, shareholder preferred equity or other similar interests), minus (ii) \$1,065,000,000; multiplied by (iii) 19.9%.

“Equity Contribution Shortfall” means an amount equal to: (i) \$1,065,000,000, minus (ii) the aggregate amount of common equity cash contributions made by Parent to the Company from January 1, 2023 through the December 31, 2023 (which, for the avoidance of doubt, such amounts shall not include contributions made in the form of shareholder loans, shareholder preferred equity or other similar interests), multiplied by (iii) 19.9%.

“Equity Financing” means the equity financing incurred or to be incurred pursuant to the Equity Commitment Letter.

“Equity Interest” means any stock, partnership interest, membership interest, joint venture interest or other equity ownership interest.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means, with respect to any Person, any other Person that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA that includes or included the first Person, or any Person that is, or was at the relevant time, a member of the same “controlled group” as the first Person pursuant to Section 4001(a)(14) of ERISA.

“EWG” means an “exempt wholesale generator” as such term is defined in Section 1262(6) of PUHCA and the implementing regulations of FERC at 18 C.F.R. § 366.1 and § 366.7.

“Excess Amount” has the meaning set forth in Section 1.2(c)(iv).

“Existing Indebtedness” means the Indebtedness set forth on Schedule 10.17.

“Express Representations” has the meaning set forth in Section 8.2(a).

“Extraordinary Event Response” means any action otherwise prohibited by Section 5.1 to the extent determined in good faith by the Company or its Subsidiary to be necessary to avoid or mitigate a risk of impending physical injury to any human Person.

“FERC” means the Federal Energy Regulatory Commission or any successor agency thereto.

“FERC Approval” has the meaning set forth in Section 5.3(a).

“Final Closing Statement” has the meaning set forth in Section 1.2(b).

“Final Purchase Price” means (i) the Base Purchase Price, plus (ii) the Additional Capital Contribution Amount, if any, minus (iii) the Equity Contribution Shortfall, if any, plus (iv) the Equity Contribution Excess, if any, minus (v) the Early Closing Time Value Adjustment, if any, plus (vi) the Late Closing Time Value Adjustment, if any, each as set in accordance with Section 1.2(e).

“Financial Statements” has the meaning set forth in Section 2.6(a).

“Financing” means the Equity Financing and the Debt Financing.

“Financing Conditions” means (a) with respect to the Debt Financing, the conditions precedent set forth in Section 6 of the Debt Commitment Letter, and (b) with respect to the Equity Financing, the conditions precedent to the Investor’s obligations under this Agreement set forth in Section 6.1 and Section 6.2.

“Financing Information” means (a) the financial statements required by Paragraph 5 of Exhibit C to the Debt Commitment Letter and (b) such other information with respect to the business, operations and financial condition of the Company or any of its Subsidiaries as may be reasonably requested by Investor in connection with the Debt Financing and that is customarily included in marketing materials for financings comparable to the Debt Financing, in each case, to enable the Investor to prepare pro forma financial statements to the extent customary and reasonably required pursuant to the Debt Financing and to the extent reasonably available and prepared in past practice by the Company or its Subsidiaries.

“FPA” has the meaning set forth in Section 2.18.

“FPA 204 Blanket Authorization” means blanket authorization under Section 204 of the FPA to issue securities and assume liabilities.

“Fraud” means an act, committed by a Person, with intent to deceive another Person, or to induce such Person to enter into this Agreement, or otherwise act or refrain from acting, and requires (a) the making of a false Express Representation in Article II, Article III or the Disclosure Schedules (with respect to the Company or the Parent, as applicable) or Article IV or the Investor Disclosure Schedule (with respect to the Investor), or in any certificate delivered pursuant to this Agreement by the applicable Party; (b) with knowledge that such Express Representation is false; (c) with an intention to induce reliance by the Party to whom such Express Representation is made; and (d) justifiable reliance by the Party to whom such Express Representation is made; provided, however, that any reckless or similar misrepresentation of a material fact will not be deemed “Fraud” for purposes of this Agreement or any other agreements, instruments or certificates to be entered into or delivered by the Parties pursuant to the terms of this Agreement, it being the intention of the Parties that “reckless fraud” and other forms of constructive fraud shall not constitute “Fraud” for any purpose under this Agreement.

“Fundamental Representations” means the representations and warranties set forth in Section 2.1(a) (*Formation and Power*), Section 2.2 (*Subsidiaries*), Section 2.3(a) (*No Violation*), Section 2.5 (*Equity Interests*), Section 2.21 (*Broker Fees*), Section 3.1 (*Formation and Power*), Section 3.2 (*Authorization*), Section 3.3(a) (*No Violation*), Section 3.7 (*Broker Fees*), Section 4.1 (*Organization, Standing and Power*), Section 4.2 (*Authorization*), Section 4.6 (*Broker Fees*) and Section 4.8 (*No Fraudulent Conveyance*) and Section 4.11(c) (*Adequate Proceeds*).

“Governmental Authority” means any national, foreign, federal, regional, state, local, municipal or other governmental authority of any nature (including any division, department, agency, commission or other regulatory body thereof) and any court or arbitral tribunal, including any governmental, quasi-governmental or non-governmental body administering, regulating or having general oversight over electricity, power or the transmission or transportation thereof, including any regional transmission operator, independent system operator and any market monitor thereof.

“Hazardous Substances” means any pollutants, contaminants or hazardous or toxic substances, materials or wastes, including petroleum, petroleum byproducts and all derivatives thereof, asbestos-containing materials, per- or polyfluoroalkyl substances, polychlorinated biphenyls, coal ash or other coal combustion residuals, explosive substances and pesticides, in each case that are regulated or limited by or under Environmental Laws.

“Indebtedness” means, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money or in respect of any loans or advances, including for the avoidance of doubt any loans in connection with accounts receivable securitization facilities, (b) all other indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments or debt securities (excluding trade account payables constituting short term Liabilities under U.S. GAAP), (c) any obligation of such Person evidenced by any letter of credit or bankers’ acceptance (solely to the extent drawn), (d) any accrued interest, premiums, penalties, related expenses, commitment and other fees, sale or liquidity participation amounts, reimbursements, indemnities and other obligations relating to the foregoing, and (e) all indebtedness of others referred to in clause (a) through (d) above guaranteed directly or indirectly in any manner by such Person.

“Independent Accountants” has the meaning set forth in Section 1.2(c)(ii).

“Insurance Policy” has the meaning set forth in Section 2.15.

“Intellectual Property” means all: (a) patents, patent applications and patent disclosures; (b) trademarks, service marks, trade dress, and corporate names, together with all goodwill associated with each of the foregoing; (c) copyrights; (d) Internet domain names; (e) registrations and applications for any of the foregoing; and (f) trade secrets.

“Interim Period” has the meaning set forth in Section 5.1(a).

“Interim Period Contract” means any Contract entered into by the Company or any of its Subsidiaries during the Interim Period that would have been required to be set forth on Schedule 2.10 had such Contract been entered into as of the date of this Agreement.

“Interim Period Subsidiary” has the meaning set forth in Section 5.7.

“Investor” has the meaning set forth in the Preamble.

“Investor Disclosure Schedule” has the meaning set forth in Article IV.

“Investor Guarantor” means the party named as “Guarantor” in the Limited Guaranty.

“Investor Group” means the Investor and Blackstone Infrastructure Partners L.P., together with its controlled investment vehicles (excluding, for the avoidance of doubt, after the Closing, the Company and its Subsidiaries) and each of their respective former, current or future officers, directors, employees, partners, members, managers, agents, successors or permitted assigns.

“IRS” means the United States Internal Revenue Service.

“IT Systems” means all material information systems, including material electronic data processing, information, recordkeeping, communications, telecommunications, account management, inventory management and other computer systems (including all computer programs, software, databases, websites, storage, firmware, hardware and related documentation) to the extent owned, operated, or used by the Company or any of its Subsidiaries in the conduct of the business of the Company or any of its Subsidiaries.

“IURC” has the meaning set forth in Section 2.19(c).

“Knowledge of Company” or “Company’s Knowledge” means the actual knowledge (as opposed to any constructive or imputed knowledge) of Shawn Anderson, Brett Radulovich and Michael Hooper, in each case after reasonable due inquiry.

“Knowledge of Investor” or “Investor’s Knowledge” means the actual knowledge (as opposed to any constructive or imputed knowledge) of Sebastien Sherman, Heidi Boyd, and Daniel Kong, in each case after reasonable due inquiry.

“Knowledge of Parent” or “Parent’s Knowledge” means the actual knowledge (as opposed to any constructive or imputed knowledge) of Shawn Anderson and Brett Radulovich, in each case after reasonable due inquiry.

“Late Closing Time Value Adjustment” means an amount equal to (i) the Base Purchase Price; multiplied by (ii) the daily interest rate based on a 10% annual interest rate, multiplied by (iii) the number of days that elapse between January 1, 2024 and the Closing Date, which for the avoidance of doubt, shall include the Closing Date in the calculation of such number of days elapsed.

“Law” means any law (statutory, common or otherwise), rule, regulation, code or ordinance enacted, adopted, promulgated or applied by any Governmental Authority.

“Leakage” means (a) other than the Special Distribution, any dividend, distribution, return of capital or other distribution (or similar payment) on Membership Interests of the Company (whether in cash, stock or property or any combination thereof) declared, paid or made by the Company or any of its Subsidiaries for the benefit of Parent or any Affiliate of Parent including via an issuance, redemption, repurchase or reduction of any equity securities, or any payments in lieu of any of the foregoing (whether in cash or in kind); (b) any payments made of any kind whatsoever or to be made, or benefit conferred or to be conferred, by the Company or any of its Subsidiaries to or for the benefit of Parent or any Affiliate of Parent in respect of any redemption, purchase or repayment of any Membership Interests of the Company or any of its Subsidiaries; (c) other than in the Ordinary Course of Business, any payments made by the Company or any of its Subsidiaries to Parent or any Affiliate of Parent in respect of management fees, monitoring fees, transaction advisory fees, broker fees or other similar fees, and including any payment of interest on such fees (if any); (d) any payment in respect of any Indebtedness of the Company or any of its Subsidiaries (including repayment of principal, payment of interest or any breakage fees or penalties), in each case, if any, owed by the Company or its Subsidiaries to Parent or its Affiliates (excluding the Company or its Subsidiaries); (e) other than in the Ordinary Course of Business, any assets transferred or payment made to, or liabilities assumed, indemnified, guaranteed, secured or incurred for the benefit of, Parent or any Affiliate of Parent by the Company or any of its Subsidiaries to the extent that such transfer, assumption, indemnification, guarantee, security or incurrence was made other than on an arm’s length basis, in each case at the time of the transfer; (f) the waiver, deferral, release, forgiveness or discount by the Company of any material amount, liability or obligation owed to the Company by Parent or any Affiliate of Parent; (g) other than in the Ordinary Course of Business, the purchase by the Company or any of its Subsidiaries from Parent or any Affiliate of Parent of any assets to the extent that such purchase is made other than on an arm’s length basis at the time of the purchase; (h) any payment by the Company or any of its Subsidiaries of any Company Transaction Expenses or any fees, costs, expenses or transaction bonuses to any Person in connection with the transactions contemplated under this Agreement; (i) any Taxes of the Company or and of its Subsidiaries resulting from any of the foregoing clauses (a) through (h); and (j) any agreement or arrangement made or entered into by the Company or any of its Subsidiaries to do or give effect to any matter referred to in clauses (a) to (i) above.

“Leakage Reference Date” means December 31, 2023.

“Lease” means any Contract pursuant to which any Leased Real Property is leased, subleased, licensed or occupied, together with all modifications, amendments, extensions, guarantees, assignments and supplement thereto, other than Ancillary Real Property Agreements.

“Leased Real Property” means all land, buildings, structures, improvements or other real property material to the Company or any of its Subsidiaries and their respective businesses, other than Ancillary Real Property or Owned Real Property, which the Company or any of its Subsidiaries has the right to use pursuant to leases, subleases, licenses or other similar Contracts.

“Liabilities” has the meaning set forth in Section 2.6(b).

“Liens” means all liens, encumbrances, mortgages, deeds of trust, leases, subleases, licenses, sublicenses, pledges, security interests, hypothecations, options, right-of-way, servitude, easements, encroachments, conditional or contingent sales or other title retention agreements, defects in title, charges, claims, proxy, voting trust or transfer restrictions, including rights of first refusal, rights of first offer or preemptive rights, under any stockholder or similar agreement or Organizational Document, and in each case, including any Contract to give any of the foregoing in the future.

“Limited Guaranty” has the meaning set forth in the Recitals.

“Losses” has the meaning set forth in Section 5.2(b).

“Material Adverse Effect” means any change, circumstance, development, state of facts, effect or condition that, individually or in the aggregate, with any such other changes, circumstances, developments, states of facts, effects or conditions, is or would reasonably be expected to have a material adverse effect on (x) the business, rights, properties, operations, assets, liabilities or financial condition or operating results of the Company and its Subsidiaries, taken as a whole or (y) the ability of the Parent and the Company and its Subsidiaries, taken as a whole, to consummate the transactions contemplated by this Agreement; provided, that none of the following, either alone or taken together with other changes, circumstances, developments, states of facts, effects or conditions, shall constitute, or be taken into account in determining whether there has been or would be expected to be, a Material Adverse Effect in the case of clause (x) above: (a) changes in, or effects arising from or relating to, general business or economic conditions affecting the industries in which the Parent, the Company and its Subsidiaries operate; (b) changes in, or effects arising from or relating to, national or international political or social conditions, including the engagement by any country in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military, cyber or terrorist attack upon any country, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, asset, equipment or personnel of any country; (c) changes in, or effects arising from or relating to, financial, banking or securities markets (including (i) any disruption of any of the foregoing markets, (ii) any change in currency exchange rates, (iii) any decline or rise in the price of any security, commodity, contract or index and (iv) any increased cost, or decreased availability, of capital or pricing or terms related to any financing for the transactions contemplated hereby); (d) changes in, or effects arising from or relating to changes in U.S. GAAP following the date of this Agreement; (e) changes in, or effects arising from or relating to changes in, Laws, Orders or other binding directives or determinations issued or made by or agreements with or consents of any Governmental Authority (including any such items related to Section 5.3) following the date of this Agreement; (f) changes or effects arising from or relating to (i) the taking of any action expressly permitted or expressly contemplated by this Agreement or at the written request of the Investor or its Affiliates, (ii) the failure to take any action if such action is expressly prohibited by this Agreement or (iii) the announcement of this Agreement or the transactions contemplated hereby or the identity, nature or ownership of the Investor, including the impact thereof on the relationships, contractual or otherwise, of the Company or any of its Subsidiaries with employees, customers, lessors, suppliers,

vendors or other commercial partners; (g) strikes, work stoppages or other labor disputes; (h) any failure, in and of itself, to achieve any budgets, projections, forecasts, estimates, plans, predictions, performance metrics or operating statistics or the inputs into such items (but not the underlying causes of any such failure to the extent such underlying cause is not otherwise excluded from the definition of Material Adverse Effect); (i) the effect or any action taken by the Investor or its Affiliates with respect to the transactions contemplated hereby; (j) any acts of God, force majeure events or natural disasters; or (k) any effects or consequences of any epidemic, pandemic or disease outbreak (including any coronavirus) or any worsening condition or any civil protests, riots or other civil unrest, except in the case of the forgoing clause (a), (b), (c), (d), (e), (j), or (k) to the extent such changes, circumstances, developments, states of facts, effects or conditions have a materially disproportionate impact on the Company and its Subsidiaries, taken as a whole, as compared to other market participants engaged in the same industry and geographic region.

“Material Contract” has the meaning set forth in Section 2.10(a).

“MBR Authority” means authorization by FERC under Section 205 of the FPA to make wholesale sales of electric energy, capacity and certain ancillary services at market-based rates, acceptance by FERC of a tariff providing for such sales, and conferral by FERC of certain waivers of regulations and blanket authorizations (but not including blanket authorization under Section 204 of the FPA).

“McGuireWoods” means McGuireWoods LLP.

“Membership Interests” has the meaning set forth in the Recitals.

“New Debt Commitment Letters” has the meaning set forth in Section 5.6(d).

“NIPSCO” has the meaning set forth in the Recitals.

“NIPSCO Holdings I” has the meaning set forth in the Recitals.

“NIPSCO Project Company” has the meaning set forth in Section 2.19(a).

“Model Allocation” has the meaning set forth in Section 2.9(r).

“Operating Agreement” means the Amended and Restated Limited Liability Company Agreement of the Company, by and among the Company, the Investor and the Parent, to be executed, subject to the terms and conditions hereof, on the Closing Date, substantially in the form attached hereto as Exhibit A (as such form may be modified from time to time (without requiring any separate amendment to this Agreement) pursuant to the terms of this Agreement).

“Order” means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction, or other similar determination or finding by, before, or under the supervision of any Governmental Authority.

“Ordinary Course of Business” with respect to a Person means the ordinary course of business of such Person, consistent with past practice.

“Organizational Documents” means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and bylaws or documents of similar substance; with respect to any limited liability company, its articles of association, articles of organization or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing, in each case, including any member agreements, shareholder agreements, voting agreements or documents of similar substance relating to ownership or governance matters.

“Outside Date” has the meaning set forth in Section 7.1(b)(i).

“Owned Real Property” means all real property in which the Company or any of its Subsidiaries owns a fee title interest.

“Parent” has the meaning set forth in the Preamble.

“Parent Group” means the Parent, any Affiliate of the Parent (excluding the Company and its Subsidiaries) and each of their respective former, current or future Affiliates, officers, directors, employees, partners, member, managers, agents, Advisors, successors or permitted assigns.

“Parent SEC Reports” means the forms, reports, schedules, statements and other documents required to be filed or furnished under the U.S. Securities Exchange Act of 1934 filed or furnished with the U.S. Securities and Exchange Commission by the Parent, since January 1, 2021.

“Parties” or “Party” has the meaning set forth in the Preamble.

“PBGC” has the meaning set forth in Section 2.14(e).

“Permits” has the meaning set forth in Section 2.17(a).

“Permitted Liens” means (a) Liens for Taxes not yet delinquent or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings and for which adequate reserves have been established in accordance with U.S. GAAP, (b) Liens of lessors, lessees, sublessors, sublessees, licensors or licensees to the extent arising under and in accordance with the terms of any Lease arising or incurred in the Ordinary Course of Business, (c) Liens arising under the Existing Indebtedness, (d) mechanics Liens and similar Liens for labor, materials, or supplies incurred in the Ordinary Course of Business relating to obligations as to which there is no breach or default on the part of the Company or any of its Subsidiaries, as the case may be, or the validity or amount of which is being contested in good faith through appropriate proceedings so long as adequate reserves are maintained on the Financial Statements in accordance with U.S. GAAP, (e) zoning, building codes, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over such real property, but solely to the extent neither the Company nor any of its Subsidiaries is in material violation thereof, (f) easements, servitudes, covenants, conditions, restrictions, and other similar matters of record affecting title to any assets of the Company or any of its Subsidiaries, but in each case only to the extent the same would not, individually or in the aggregate, reasonably be expected to materially impair the current use thereof in the operation of the business as currently conducted, (g) all matters set forth on title policies or surveys made available by or on behalf of the Company or its Subsidiaries or any member of the Parent Group to the Investor or its Representatives, but in each case only to the extent the same would not, individually or in the aggregate, reasonably be expected to materially impair the current use thereof in the operation of the business as currently conducted, and (h) Liens arising under Laws of general applicability, other than to the extent such Liens arise from or relate to the Company or any of its Subsidiary’s failure to comply with such Laws.

“Personal Data” means any data or other information that, alone or in combination with other data or information, can be reasonably used to identify (directly or indirectly) an individual, household, computer or device, including any personally identifiable data (*e.g.*, name, address, phone number, email address, financial account number, payment card data, and government issued identifier).

“Persons” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority.

“Pre-Closing Tax Equity Claims” means, without duplication, any Losses based on or arising or resulting from or in connection with an uncured breach of any obligations by the Company or any Subsidiary under any Tax Equity Agreements that results in (a) an indemnification or other payment of Losses pursuant to such Tax Equity Agreements or (b) a redirection of any Tax Equity Partnerships’ cash flow to the extent attributable to any facts, events, transactions, matters, or actions or inactions of the Company or any Subsidiary that predate the Closing.

“Post-Closing Statement” has the meaning set forth in Section 1.2(c)(i).

“Project Blue Structure Model Spreadsheet” means the spreadsheet titled “Project Blue – Partnership Structure Model_Remedial v Traditional (2023.5.24)” provided by the Parent to the Investor on May 24, 2023.

“Projections” has the meaning set forth in Section 8.2(a).

“Protected Parent Communications” has the meaning set forth in Section 5.9.

“PUHCA” means the Public Utility Holding Company Act of 2005, and the rules and regulations adopted thereunder.

“Purchase Price Excess Amount” has the meaning set forth in Section 1.2(c)(iii).

“Purchase Price Shortfall Amount” has the meaning set forth in Section 1.2(c)(iii).

“Purchased Interests” has the meaning set forth in the Recitals.

“R&W Insurance Policy” has the meaning set forth in Section 5.10.

“Real Property” means, collectively, the Owned Real Property, the Leased Real Property and the Ancillary Real Property.

“Regulatory Approvals” means the FERC Approval.

“Related Party” has the meaning set forth in Section 7.2(d).

“Representatives” means the directors, officers, employees, agents and Advisors of a Party.

“Required Amount” means the aggregate available cash at the Investor and other available sources of cash, will be sufficient for the satisfaction of all of the Investor’s obligations under this Agreement and in an amount sufficient to consummate the Closing, including the payment of the Closing Purchase Price, the Termination Fee (in the event due and payable) and the payment of all associated costs and expenses.

“Restraint” has the meaning set forth in Section 6.1(b).

“Sanctioned Country” means a country or territory that is the target of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, and the so-called Donetsk and Luhansk People’s Republics in eastern Ukraine).

“Sanctioned Person” means, (a) any Person listed in any Sanctions-related list of designated Persons maintained by a Governmental Authority described in the definition of “Sanctions,” (b) any Person operating, organized, domiciled or resident in a Sanctioned Country, (c) the government of, or a Governmental Authority or government official of, any Sanctioned Country or of Venezuela, or (d) any Person directly or indirectly owned or otherwise controlled by, acting for or on behalf of, or acting at the direction of, any such Person described in clauses (a), (b), or (c).

“Sanctions” means any trade or economic sanctions imposed, administered or enforced from time to time by OFAC, the U.S. Department of State, His Majesty’s Treasury, the United Nations, the European Union or any agency or subdivision of any of the foregoing, including any regulations, rules and executive orders issued in connection therewith.

“Security Incident” means an occurrence that materially impairs the confidentiality, integrity or availability of any of the IT Systems or any material information that the IT Systems process, store or transmit.

“Settlement” has the meaning set forth in Section 2.19(c).

“Settling Party” has the meaning set forth in Section 2.19(c).

“Special Distribution” has the meaning set forth in the Recitals.

“Statement” has the meaning set forth in Section 1.2(b).

“Subsidiary” means, with respect to any Person, any entity of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or any partnership, association or other entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other entity or is or controls the managing director, managing member or general partner of such partnership, limited liability company, association or other business entity.

“Surviving Provisions” has the meaning set forth in Section 7.2(a).

“Tax” or “Taxes” means any federal, state, local or foreign taxes, including income, gross receipts, capital stock, capital gains, environmental, franchise, profits, license, withholding, payroll, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, excise, transfer, value added, import, export, alternative minimum, estimated or other tax, duty, assessment or governmental charge in the nature of a tax, including any interest, penalty or addition thereto.

“Tax Allocation Agreement” has the meaning set forth in Section 9.4.

“Tax Credits” means the credits against U.S. federal income tax available under Section 45 of the Code, Section 48 of the Code, Section 45Y of the Code, any successor provisions thereof or any similar state or local income tax credits..

“Tax Equity Agreements” means (a) the Equity Capital Contribution Agreement, dated as of July 2, 2020, by and among Rosewater Wind Generation LLC, Northern Indiana Public Service Company LLC, Rosewater Ventures, LLC and Wells Fargo Central Pacific Holdings, Inc., (b) the Amended and Restated Limited Liability Company Operating Agreement of Rosewater Wind Generation LLC, a Delaware Limited Liability Company, dated as of December 29, 2020, as amended by the First Amendment to Amended and Restated Limited Liability Company Operating Agreement, dated as of March 26, 2021, as further amended by the Second Amendment to Amended and Restated Limited Liability Company Operating Agreement, dated as of October 14, 2022, (c) the Equity Capital Contribution Agreement, dated as of June 18, 2021, by and among Indiana Crossroads Wind Generation LLC, Northern Indiana Public Service Company LLC, Indiana Crossroads Wind Ventures, LLC and JPM Capital Corporation, (d) the Amended and Restated Limited Liability Company Operating Agreement of Indiana Crossroads Wind Generation LLC, a Delaware Limited Liability Company, dated as of December 16, 2021, as amended by that certain Amendment No. 1 to Amended and Restated Limited Liability Company Agreement, dated as of September 29, 2022, as amended by that certain Amendment No. 2 to Amended and Restated Limited Liability Company Agreement, dated as of January 10, 2023, (e) the Equity Capital Contribution Agreement, dated as of August 2, 2022, by and Among U.S. Bancorp Community Development Corporation, Northern Indiana Public Service Company LLC and Indiana Crossroads Solar Generation LLC, as amended by Waiver and First Amendment to Equity Capital Contribution Agreement, dated as of December 22, 2022, (f) the Amended and Restated Limited Liability Company Agreement of Indiana Crossroads Solar Generation LLC, a Delaware Limited Liability Company, dated as of December 22, 2022, and (g) the Equity Capital Contribution Agreement, dated as of December 21, 2022, by and among Dunn’s Bridge I Solar Generation LLC, Northern Indiana Public Service Company LLC, and Wells Fargo Bank, N.A. and the Form of Amended and Restated Limited Liability Company Operating Agreement of Dunn’s Bridge I Solar Generation LLC, a Delaware Limited Liability Company, attached thereto.

“Tax Equity Partnerships” means (a) Rosewater Wind Generation LLC, (b) Indiana Crossroads Wind Generation LLC, (c) Indiana Crossroads Solar Generation LLC, and (d) Dunn’s Bridge I Solar Generation LLC.

“Tax Return” means any return, claim for refund, report, election, form, statement or information return relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

“Termination Fee” has the meaning set forth in Section 7.2(b).

“Title IV Plan” has the meaning set forth in Section 2.14(e).

“Transfer Taxes” has the meaning set forth in Section 9.1.

“U.S. GAAP” means the generally accepted accounting principles of the United States.

“Unaudited Financial Statements” has the meaning set forth in Section 2.6(a).

“Vesting Instrument” means an Ancillary Real Property Agreement or Lease.

“Willful Breach” means a material breach or failure to perform that is the consequence of an act or omission of a Party, with the knowledge that the taking of, or failure to take, such act would, or would be reasonably expected to, cause a breach of this Agreement.

Section 10.18 Other Definitional Provisions. The following shall apply to this Agreement, the Disclosure Schedules and any other certificate, instrument, agreement or other document contemplated hereby or delivered hereunder.

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under U.S. GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under U.S. GAAP, the definition set forth in this Agreement shall control.

(b) The terms “hereof,” “herein” and “hereunder” and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified.

(c) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” Where the context permits, the use of the term “or” shall be equivalent to the use of the term “and/or.”

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(e) Words denoting any gender shall include all genders, including the neutral gender. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(f) The word “will” will be construed to have the same meaning and effect as the word “shall”. The words “shall,” “will,” or “agree(s)” are mandatory, and “may” is permissive.

(g) All references to “\$” and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(h) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(i) Any document or item shall be deemed “delivered”, “provided” or “made available” by the Parent within the meaning of this Agreement and the Disclosure Schedules if such document or item (i) is included in the Data Room at least two (2) Business Days prior to the Effective Date or (ii) delivered or provided to the Investor or its Advisors at least two (2) Business Days prior to the Effective Date.

(j) Any reference to any Contract shall be a reference to such Contract, as amended, amended and restated, modified, supplemented or waived.

(k) Any reference to any particular Code section or any Law shall be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided, that, for the purposes of the representations and warranties contained herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Code section or Law, the reference to such Code section or Law means such Code section or Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

Section 10.19 Debt Financing Sources. Notwithstanding anything in this Agreement to the contrary (but in all cases subject to and without in any way limiting the rights, remedies and claims of the Investor or any of its Affiliates under or pursuant to the Debt Commitment Letter or any other agreement entered into with respect to the Debt Financing), each Party:

(a) (i) waives any and all claims and causes of action against the Debt Financing Sources relating to or arising out of this Agreement, the Debt Commitment Letter, or any contract entered into with respect the Debt Financing, or the performance of any services thereunder, whether in law or in equity, whether in contract or in tort or otherwise, (ii) agrees that none of the Debt Financing Sources will have any liability to any party to this Agreement or any of its Affiliates relating to or arising out of this Agreement, the Debt Commitment Letter, or any Contract entered into with respect the Debt Financing, or the performance of any services thereunder, whether in law or in equity, whether in Contract or in tort or otherwise, and (iii) agrees not to seek to enforce commitments or other rights under the Debt Commitment Letter or any Contract entered into with respect to the Debt Financing against, or make any claims for breach of such commitments or such other rights against, or seek to recover monetary damages from, the Debt Financing Sources, or otherwise sue the Debt Financing Sources for any reason related to the Debt Commitment Letter or any Contract entered into with respect the Debt Financing, except, in each case of clauses (i) through (iii), in the case of the Investor and its Affiliates, pursuant to or in connection with the Debt Commitment Letter and/or any Contract relating to the Debt Financing;

(b) subject to clause (a) above, agrees not to bring, or support any Person in bringing, or permit any of its Affiliates to bring, or support any person in bringing, any legal proceeding against, or seek to recover monetary damages from, any Debt Financing Sources in any way arising out of or relating to this Agreement, the Debt Commitment Letter, or any Contract entered into with respect the Debt Financing, or the performance of any services thereunder, whether in law or in equity, in Contract or in tort or otherwise, shall be subject to the exclusive jurisdiction of, and shall be brought and heard and determined exclusively in, the Federal court of the United States of America sitting in the Borough of Manhattan or, if that court does not have subject matter jurisdiction, in any state court located in the City and County of New York, and any appellate court thereof and irrevocably submits itself and its property with respect to any such legal proceeding to the exclusive jurisdiction of such court;

(c) irrevocably waives, to the fullest extent that it may effectively do so, the defense of an inconvenient forum to the maintenance of any such legal proceeding in the Federal court of the United States of America sitting in the Borough of Manhattan or, if that court does not have subject matter jurisdiction, in any state court located in the City and County of New York, and any appellate court thereof;

(d) agrees that any such legal proceeding shall be governed by, construed and enforced in accordance with the laws of the State of New York (without giving effect to any conflicts of law principles that would result in the application of the laws of another state);

(e) agrees that service of process upon such party in any such legal proceeding shall be effective if notice is given in accordance with the notice provisions of this Agreement;

(f) knowingly, intentionally and voluntarily waives (to the fullest extent permitted by law) trial by jury in any proceeding brought against the Debt Financing Sources in any way arising out of or relating to this Agreement, the Debt Commitment Letter or any other Contract entered into with respect the Debt Financing or the performance of any services thereunder;

(g) agrees that the Debt Financing Sources are express third-party beneficiaries of, and may rely upon and enforce, this section and Section 7.2(d); and

(h) agrees that the provisions in this section and Section 7.2(d) and the definitions used in this section or Section 7.2(d) (as used in this section or Section 7.2(d)) shall not be amended, waived or otherwise modified, in each case, in any way adverse to the Debt Financing Sources without the prior written consent of the Debt Financing Sources party to the Debt Commitment Letter.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

PARENT:

NISOURCE INC.

By: /s/ Shawn Anderson

Name: Shawn Anderson

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Purchase and Sale Agreement]

COMPANY:

NIPSCO HOLDINGS II LLC

By: /s/ Shawn Anderson

Name: Shawn Anderson

Title: President and Chief Financial Officer

[Signature Page to Purchase and Sale Agreement]

INVESTOR:

BIP BLUE BUYER L.L.C.

By: BIP Holdings Manager L.L.C., its managing member

By: /s/ Sebastien Sherman

Name: Sebastien Sherman

Title: Senior Managing Director

[Signature Page to Purchase and Sale Agreement]

Exhibit A

Form of Operating Agreement

Exhibit 99.1

NiSource Announces Agreement to Sell Minority Equity Interest in NIPSCO to Strengthen Financial Foundation and Support Sustainable, Long-Term Growth

Blackstone Infrastructure Partners Affiliate Agrees to Acquire 19.9% Non-Controlling Equity Interest in NIPSCO for \$2.150 Billion, with Additional Equity Commitment of \$250 Million to Fund Ongoing Capital Requirements

Blackstone Invests Alongside NiSource in NIPSCO to Fund the Energy Transition and Accelerate the Reindustrialization of the Midwest

NiSource Reaffirms Commitment to Indiana and to Its Consolidated Credit, Earnings and Growth Commitments Through 2027

MERRILLVILLE, Ind., June 20, 2023 – NiSource (NYSE: NI) today announced that it has entered into a definitive agreement with an affiliate of Blackstone Infrastructure Partners, Blackstone’s (NYSE: BX) dedicated Infrastructure group, for the Blackstone Infrastructure affiliate to acquire a 19.9% equity interest in NIPSCO for \$2.150 billion.

Blackstone Infrastructure is an active perpetual capital investor across the utility, energy transition, transportation, digital infrastructure, water and waste infrastructure sectors. Blackstone Infrastructure seeks to apply a long-term buy-and-hold approach to large-scale infrastructure assets and is focused on responsible stewardship and stakeholder engagement to create value for its investors and the communities it serves. Blackstone Infrastructure is committed to investing behind NIPSCO’s energy transition and decarbonization programs, as well as helping to increase gas and electric grid resiliency for the customers of Indiana.

The transaction is a highly attractive and efficient form of equity financing. NiSource intends to use the capital infusion to support its fastest growing utility and its ability to serve customers, de-lever its balance sheet and fund ongoing capital needs associated with the renewable generation transition underway. Since 2018, NIPSCO has been executing on one of the fastest transitions from coal-fired electricity in the U.S. utilities sector, targeting 0% coal-fired generation mix by 2028 (compared to 75% coal generation mix in 2018). Through 2030, NIPSCO expects to invest approximately \$3.5 billion in electric generation transition investments, with this investment primarily focused on installing new renewable generation to replace coal-fired generation retirements. NIPSCO also intends to support the continued growth and modernization of its gas and electric transmission and distribution systems, which will play critical roles in the energy transition as NIPSCO continues to deliver a reliable, diverse and sustainable energy mix, bringing customer, environmental and economic benefits.

The transaction implies an equity value of \$10.8 billion and enterprise value of \$14.3 billion for 100% of NIPSCO. Upon closing of the transaction, which is expected by the end of 2023, NIPSCO will remain a vital part of NiSource, which will retain an 80.1% stake in NIPSCO. NiSource will continue to operate NIPSCO; Blackstone will receive minority rights that are commensurate with its 19.9% equity ownership interest. As part of the transaction, Blackstone is committed to funding its pro rata share of ongoing capital requirements, which is supported by a \$250 million equity commitment letter.

“We’re pleased to reach this agreement at a compelling valuation following a robust and competitive process, and are confident that Blackstone is the right partner for NIPSCO and NiSource going forward, given its global footprint and deep infrastructure experience, including in renewable development and

procurement,” said NiSource president and CEO Lloyd Yates. “With this transaction, our commitment to Indiana remains unchanged, and we will be able to drive further sustainable growth for our stakeholders. This financing transaction will have no impact on NIPSCO’s current strategic direction or on our commitment to our gas and electric customers in Indiana.”

“This agreement underscores Blackstone’s commitment to decarbonization to create value for our investors and our desire to help facilitate the reindustrialization of the Midwest,” said Sean Klimczak, Global Head of Infrastructure, Blackstone. “Our belief in Indiana remains steadfast and we are excited to partner with NiSource and NIPSCO, one of the fastest growing utilities in the country, to support the vital role that NIPSCO plays in communities across Northern Indiana.”

“This transaction is a significant step in our execution against our strategy, and the progress we are making to create value for all of our stakeholders as we continue to navigate the current challenging interest rate backdrop,” said Shawn Anderson, NiSource’s executive vice president and CFO. “We are confident this is the right path forward to strengthen our balance sheet, support our financing plan and provide greater flexibility to execute on high-quality capital investments that will enhance the safety, reliability and sustainability of our systems for the benefit of our customers.”

NIPSCO is Indiana’s largest vertically integrated electric and gas distribution company, providing critical utility service to almost 1.3 million customers in an economically robust service territory, with a proven track record of providing value for its customers. NIPSCO is at the forefront of the energy transition and is developing one of the lowest-cost portfolios of renewable energy projects, the majority of which are utility-owned, and intends to retire all coal-fired generation by the end of 2028. These near-term renewable and generation transition investments add to a multi-decade capital plan with the goal to significantly grow NIPSCO’s rate base through investments across gas, electric transmission and distribution and electric generation, which should drive significant continued value for NIPSCO’s customers. NIPSCO operates in Indiana, one of the most constructive utility jurisdictions in the United States, with strong support for utility-owned generation and affordable energy, and a strong economic service territory benefitting from on-shoring and migration trends as well as robust development.

Mike Hooper, president and chief operating officer of NIPSCO said, “This partnership with Blackstone is a reflection of NIPSCO’s potential as an industry leader as we continue to meet the increasing and evolving needs of our gas and electric customers across Northern Indiana. Once completed, this transaction will also strengthen our ability to invest in major renewable generation projects and make capital enhancements to existing electric and gas infrastructure to add resiliency to our system. We will be better positioned than ever to provide safe, reliable and diverse sources of energy to our customers and support the future growth and development of the communities we are privileged to serve.”

Sebastien Sherman, Senior Managing Director, Blackstone Infrastructure, said, “We are excited to invest behind NIPSCO, which is leading the transformation of energy infrastructure in the U.S., advancing new, cleaner technologies and building increasingly advanced systems to meet customer needs. They are at the forefront of the transition to low-cost renewable energy and have one of the nation’s fastest decarbonization plans.”

The transaction is expected to close by year-end 2023, subject to customary closing conditions, including receiving FERC approvals and clearances.

Reaffirming 2023 and Long-term Earnings Guidance

NiSource also reaffirmed its non-GAAP NOEPS guidance of \$1.54 to \$1.60 in 2023, growth of 6-8% through 2027 and its FFO/debt target of 14-16%. Annual rate base growth of 8-10% is driven by \$15 billion of planned capital expenditures during the 2023-2027 period.

NiSource reminds investors that it does not provide a GAAP equivalent of its earnings guidance due to the impact of unpredictable factors such as fluctuations in weather and other unusual and infrequent items included in GAAP results.

Advisors

Lazard Frères & Co. LLC is serving as lead financial advisor, Goldman Sachs & Co. LLC is serving as co-financial advisor and McGuireWoods LLP is serving as legal counsel to NiSource. Barclays is serving as financial advisor and Latham & Watkins LLP is serving as legal counsel to Blackstone. Sumitomo Mitsui Banking Corporation provided committed financing for the transaction.

Investor Conference Call and Webcast Details

NiSource will host a conference call at 8 a.m. ET (7 a.m. CT) on Tuesday, June 20, 2023, to discuss the transaction and related information and to answer questions.

All interested parties may listen to the conference call live on June 20 by logging onto the NiSource website at www.nisource.com. A link on the home page will provide access to the webcast, the press release and the additional information. Interested parties also may listen to the conference call toll-free by calling (888) 550-5438 and entering conference ID 4883153, or by calling (646) 960-0817 and entering the same conference ID 4883153.

A replay of the call will be available through 11:59 p.m. ET on June 27, 2023. A recording of the call will also be archived on the NiSource website.

Additional information regarding the transaction, NiSource's 2023 and long-term earnings guidance and other relevant information, will be available on the Investors section of www.nisource.com prior to the June 20, 2023 conference call.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com.

About Blackstone

Blackstone is the world's largest alternative asset manager. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our \$991 billion in assets under management include investment vehicles focused on private equity, real estate, private and liquid credit, infrastructure, life sciences, growth equity, public securities and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow @blackstone on [LinkedIn](#), [Twitter](#), and [Instagram](#).

Note Regarding Forward-Looking Statements

This release 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 release include any statements regarding the ability to complete the Transaction on the anticipated timeline or at all; the anticipated benefits of the Transaction if completed; the projected impact of the Transactions on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the Transaction; 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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 release include, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the Transaction; the ability to satisfy the conditions to closing the Transaction, including the ability to obtain FERC approval necessary to complete the Transaction; the ability to achieve the anticipated benefits of the Transaction; the effect of this communication on NiSource's stock price; the effects of transaction costs; the effects of the Transaction on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the Transaction, including the diversion of management time on Transaction-related issues, 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 adapt to, and manage costs related to advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the

Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023, some of which risks are beyond our control.

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.

Regulation G Disclosure Statement

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, diluted earnings per share, and funds from operations/debt, which are non-GAAP financial measures as defined by the SEC's Regulation G. The company includes these measures because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company is not able to estimate the impact of such factors on their GAAP equivalents and, as such, is not providing such guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance or its funds from operations/debt guidance to their GAAP equivalent without unreasonable efforts.

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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 2, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction
of incorporation or organization)

001-16189

Commission
file number

35-2108964

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

**801 East 86th Avenue
Merrillville, IN**

(Address of principal executive offices)

46410

(Zip Code)

Registrant's telephone number, including area code **(877) 647-5990**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 2, 2023, NiSource Inc. (the “Company”) reported its financial results for the period ended June 30, 2023. The Company’s press release, dated August 2, 2023, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated August 2, 2023, issued by NiSource Inc.
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.)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: August 2, 2023

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer
(Principal Accounting Officer)



FOR IMMEDIATE RELEASE:
August 2, 2023

NiSource announces second quarter 2023 results

- 2023 EPS guidance raised to upper half of range, long-term growth commitments reaffirmed
- Leading regulatory execution continues in both electric and gas businesses
- NIPSCO minority sale agreement with Blackstone Infrastructure Partners announced, expected to close by year-end

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) today announced, on a GAAP basis, net income available to common shareholders for the three months ended June 30, 2023, of \$39.9 million, or \$0.09 diluted earnings per share, compared to net income available to common shareholders of \$53.2 million, or \$0.12 diluted earnings per share, for the same period of 2022. For the six months ended June 30, 2023, on a GAAP basis NiSource's net income available to common shareholders was \$359.1 million, or \$0.80 diluted earnings per share, compared to net income available to common shareholders of \$466.2 million, or \$1.06 diluted earnings per share, for the same period of 2022.

NiSource also reported non-GAAP net operating earnings available to common shareholders of \$50.3 million, or \$0.11 diluted earnings per share, for the three months ended June 30, 2023, compared to non-GAAP net operating earnings available to common shareholders of \$53.9 million, or \$0.12 diluted earnings per share, for the same period of 2022. For the six months ended June 30, 2023, NiSource's non-GAAP net operating earnings available to common shareholders was \$393.3 million, or \$0.88 diluted earnings per share, compared to non-GAAP net operating earnings available to common shareholders of \$382.6 million, or \$0.87 diluted earnings per share, for the same period of 2022. Schedule 1 of this press release contains a complete reconciliation of GAAP measures to non-GAAP measures.

2023 EPS guidance raised to upper half of range

NiSource is raising 2023 non-GAAP NOEPS guidance to the upper half of \$1.54 to \$1.60. Annual non-GAAP NOEPS growth of 6-8% through 2027 is reaffirmed. Annual rate base growth of 8-10% is driven by \$15 billion of capital expenditures anticipated during the 2023-27 period.

"The increased 2023 earnings expectations underscore our focus and ability to deliver on our financial commitments while supporting the growth and reliability of our energy systems." said NiSource President and CEO, Lloyd Yates. "Our recently announced partnership with Blackstone Infrastructure Partners marks yet another example of NiSource's steadfast execution. This transaction enables us to support ongoing investments in the state of Indiana and strengthens our balance sheet and financial flexibility. These achievements would not be possible without our dedicated employees and their commitment to our customers, communities and all NiSource stakeholders."

Second quarter 2023 and recent business highlights

Electric business

The record is closed and proposed settlement is on file for the **Northern Indiana Public Service Company's (NIPSCO)** electric rate case. A final order is anticipated this month from the Indiana Utility Regulatory Commission (IURC) with rates anticipated to be effective in steps beginning in September 2023 and March 2024.

Construction on the Crossroads and Dunns Bridge I solar projects was recently completed. NiSource has now placed four utility-owned renewable investments into service from the 2018 Integrated Resource Plan process including the 2020 Rosewater and 2021 Indiana Crossroads Wind projects. This represents an approximately \$800 million investment in 870 megawatts of economic, sustainable, zero fuel cost new generation for NIPSCO's northern Indiana customers. The Dunns Bridge II, Cavalry and Fairbanks Solar projects are under construction and results from the 2022 RFPs process continue to be evaluated.

Gas distribution business

In May, Columbia Gas of Maryland filed a request with the Maryland Public Service Commission (PSC) seeking approval to adjust base rates for distribution. The request seeks to recover approximately \$40 million in capital invested in improving system safety and reliability through the 12-months ended July 2023.

Also in May, the Virginia State Corporation Commission (SCC) approved a settlement among Columbia Gas of Virginia and the parties in its base rate case originally filed in April 2022. The base rate adjustment approval authorizes recovery of approximately \$390 million of capital invested during the 2021 through 2023 period.

Columbia Gas of Ohio's Infrastructure Replacement Program (IRP) rider rates went into effect in May, initiating the recovery of \$316 million of capital investment targeting safety and reliability enhancements made during 2022.

These developments advance a growing track record of leading regulatory execution and highlight the benefits of jurisdictional diversity. In the last four quarters alone, NiSource has completed general rate cases in Indiana, Ohio, Pennsylvania, Virginia and Maryland with balanced outcomes for stakeholders. NiSource's scale has minimized bill impacts during a period of elevated commodity prices and general inflation, while enabling billions of dollars of investments on behalf of our customers and communities.

Columbia Gas of Ohio has been awarded the Most Trusted Utility Brand Award for 2023 by Escalent for the second consecutive year. The award was given to only 42 brands across the country, and our Ohio business had the second highest score for a natural gas utility in the Midwest region.

NiSource reminds investors that it does not provide a GAAP equivalent of its earnings guidance due to the impact of unpredictable factors such as fluctuations in weather and other unusual and infrequent items included in GAAP results.

Additional information for the quarter ended June 30, 2023, is available on the Investors section of www.nisource.com, including segment and financial information and a presentation.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission ("SEC").

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FOR ADDITIONAL INFORMATION

<u>Media</u>	<u>Investors</u>	
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Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements regarding the purchase and sale agreement that NiSource's wholly-owned subsidiary, NIPSCO Holdings II LLC, entered into with BIP BLUE BUYER L.L.C., an affiliate of Blackstone Infrastructure Partners (the "Investor") on June 17, 2023 whereby Investor will acquire newly issued membership interests of NIPSCO Holdings II LLC which will represent a 19.9% ownership in NIPSCO Holdings II LLC at closing (the "NIPSCO Minority Equity Interest Sale"); statements concerning the ability to complete the NIPSCO Minority Equity Interest Sale on the anticipated timeline or at all; statements concerning the anticipated benefits of the NIPSCO Minority Equity Interest Sale if completed; statements concerning the projected impact of the NIPSCO Minority Equity Interest Sales on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the NIPSCO Minority Equity Interest Sale; 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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 release include, but are not limited to, risks and uncertainties

relating to the timing and certainty of closing the NIPSCO Minority Equity Interest Sale; the ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale, including the ability to obtain Federal Energy Regulatory Commission approval necessary to complete the NIPSCO Minority Equity Interest Sale; the ability to achieve the anticipated benefits of the NIPSCO Minority Equity Interest Sale; the effect of this communication on NiSource's stock price; the effects of transaction costs; the effects of the NIPSCO Minority Equity Interest Sale on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the NIPSCO Minority Equity Interest Sale, including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues; 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, 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.

Regulation G Disclosure Statement

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders and diluted earnings per share, which are non-GAAP financial measures as defined by the SEC's Regulation G. The company includes these measures because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing

business performance. With respect to such guidance, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance to its GAAP equivalent without unreasonable efforts.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<i>(in millions, except per share amounts)</i>				
GAAP Net Income Available to Common Shareholders	\$ 39.9	\$ 53.2	\$ 359.1	\$ 466.2
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	5.9	(8.3)	38.2	(11.3)
FAC adjustment ⁽¹⁾	—	8.0	—	8.0
Operating Expenses:				
NiSource Next initiative ⁽²⁾	—	1.2	—	2.7
Massachusetts Business related amounts ⁽³⁾	—	—	—	\$ (105.0)
Total adjustments to operating income	5.9	0.9	38.2	(105.6)
Income Taxes:				
Tax effect of above items ⁽⁴⁾	(1.7)	(0.2)	(10.2)	22.0
Preferred Dividends:				
Preferred dividends redemption premium ⁽⁵⁾	6.2	—	6.2	—
Total adjustments to net income	10.4	0.7	34.2	(83.6)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	\$ 50.3	\$ 53.9	\$ 393.3	\$ 382.6
Diluted Average Common Shares	446.8	440.2	446.9	440.8
GAAP Diluted Earnings Per Share	\$ 0.09	\$ 0.12	\$ 0.80	\$ 1.06
Adjustments to diluted earnings per share	0.02	—	0.08	(0.19)
Non-GAAP Diluted Net Operating Earnings Per Share⁽⁶⁾	\$ 0.11	\$ 0.12	\$ 0.88	\$ 0.87

⁽¹⁾Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.

⁽²⁾Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

⁽³⁾2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident.

⁽⁴⁾Represents income tax expense calculated using the statutory tax rates by legal entity.

⁽⁵⁾Represents the premium from our Series A Preferred Stock redemption calculated as the difference between the carrying value of the Series A Preferred Stock and the total amount of consideration paid to redeem.

⁽⁶⁾The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for income allocated to participating securities and add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended June 30, 2023 and 2022 were \$0.4M and \$0.5M, respectively. The adjustment for the income allocated to participating securities for the six months ended June 30, 2023 and 2022 were \$(0.2)M and zero, respectively.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 23, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

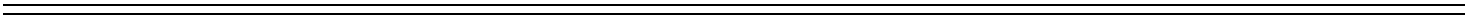
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange
Series A Corporate Units	NIMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 1.01 **Entry Into a Material Definitive Agreement**

On August 23, 2023, NiSource Inc. (“NiSource”) entered into Amendment No. 1 (the “Amendment”) to that certain Sixth Amended and Restated Revolving Credit Agreement (the “Existing Agreement”), dated as of February 18, 2022, among NiSource, as Borrower, the financial institutions from time to time party thereto (the “Lenders”) and Barclays Bank PLC, as Administrative Agent. The Amendment revises certain provisions under the Existing Credit Agreement to:

- change the definition of “Change of Control” that refers to Northern Indiana Public Service Company LLC (“NIPSCO”) ceasing to be a wholly-owned subsidiary of the Borrower to refer to Borrower ceasing to own at least 70% of the capital stock of NIPSCO or any permitted successor to NIPSCO;
- change the covenant regarding mergers, consolidations and asset transfers among subsidiaries of the Borrower to which NIPSCO is a party from requiring that the continuing or surviving person be a wholly-owned subsidiary of Borrower, to requiring that the Borrower own at least 70% of the capital stock of the continuing or surviving person;
- change the covenant regarding merger, consolidation, or transfer of assets to which NIPSCO is a party from requiring that after the transaction NIPSCO be a wholly-owned subsidiary of the Borrower, to requiring that Borrower own at least 70% of the capital stock of NIPSCO after the transaction; and
- change the date in the covenant regarding sales of assets to reference consolidated total assets of the Borrower and its subsidiaries, determined in accordance with GAAP, on December 31, 2022, rather than on December 31, 2020.

The above description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the complete text of the Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 2.03 **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01 **Financial Statements and Exhibits**

(d) *Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Amendment No. 1 made as of August 23, 2023 by and among NiSource Inc., the financial institutions listed on the signature pages and Barclays Bank PLC, as administrative agent.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: August 23, 2023

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

Exhibit 10.1

EXECUTION COPY

AMENDMENT NO. 1

Dated as of August 23, 2023

to

SIXTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

Dated as of February 18, 2022

THIS AMENDMENT NO. 1 (this "Amendment") is made as of August 23, 2023 by and among NiSource Inc., a Delaware corporation (the "Borrower"), the financial institutions listed on the signature pages hereof and Barclays Bank PLC, as administrative agent (the "Administrative Agent"), under and in connection with that certain Sixth Amended and Restated Revolving Credit Agreement dated as of February 18, 2022 by and among the Borrower, the financial institutions from time to time party thereto (the "Lenders") and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent agree to certain amendments to the Credit Agreement;

WHEREAS, the Borrower, the Lenders signatory hereto (which constitute the Required Lenders) and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Lenders party hereto (which constitute the Required Lenders) and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. Effective as of the date hereof, and subject to the satisfaction of the conditions precedent set forth in Section 2 below, the parties hereto agree that the Credit Agreement is hereby amended as follows:

(a) The definition of "Change of Control" set forth in Section 1.01 of the Credit Agreement is hereby amended to amend and restate clause (f) thereof in its entirety as follows:

"(f) the Borrower shall cease to own at least 70% of the Capital Stock of (x) NIPSCO (except to the extent otherwise permitted under clauses (i) or (ii) of Section 6.01(b)) or (y) any permitted successor to NIPSCO in connection with a transaction permitted under Section 6.01(b)(i)".

(a) The definition of "NIPSCO" set forth in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:
" "NIPSCO" means Northern Indiana Public Service Company LLC, an Indiana limited liability company."

(b) Section 6.01(b) of the Credit Agreement is hereby amended to amend and restate clause (i) thereof in its entirety as follows:

“(i) any Subsidiary of the Borrower may merge or consolidate with or transfer assets to or acquire assets from any other Subsidiary of the Borrower, provided that in the case of any such merger, consolidation, or transfer of assets to which NIPSCO is a party, the Borrower shall own at least 70% of the Capital Stock of the continuing or surviving Person; and”.

(c) Section 6.01(b) of the Credit Agreement is hereby further amended to amend and restate clause (iii)(C) thereof in its entirety as follows:

“(C) in the case of any such merger, consolidation, or transfer of assets to which NIPSCO is a party, NIPSCO shall be the continuing or surviving corporation and the Borrower shall own at least 70% of the Capital Stock of NIPSCO after giving effect thereto”.

(d) Section 6.01(c) of the Credit Agreement is hereby amended to delete the reference to “December 31, 2020” in clause (ii)(B) thereof and to substitute “December 31, 2022” therefor.

2. Conditions of Effectiveness. The effectiveness of this Amendment on the date hereof is subject to the conditions precedent that (i) the Administrative Agent shall have received counterparts of this Amendment duly executed by the Borrower, the Required Lenders and the Administrative Agent and (ii) the Administrative Agent shall have received payment and/or reimbursement of the Administrative Agent’s and its affiliates’ fees and expenses (including, to the extent invoiced, documented fees and expenses of counsel for the Administrative Agent) in connection with this Amendment.

3. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants as follows:

(a) The execution and delivery by the Borrower of this Amendment, and the performance by the Borrower of its obligations under this Amendment and the Credit Agreement as modified hereby, are each within the Borrower’s corporate powers and have been duly authorized by all necessary corporate action.

(b) This Amendment and the Credit Agreement as modified hereby constitute legal, valid and binding obligations of the Borrower and are enforceable against the Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) As of the date hereof and after giving effect to the terms of this Amendment, (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Borrower set forth in the Credit Agreement are true and correct in all material respects, except to the extent that such representations and warranties are specifically limited to a prior date, in which case such representations and warranties were true and correct in all material respects on and as of such prior date, provided, that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by “materiality,” “Material Adverse Effect” or similar language in the text thereof.

4. Reference to and Effect on the Credit Agreement.

(a) This Amendment shall constitute a Credit Document.

(b) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Credit Document shall mean and be a reference to the Credit Agreement as amended hereby.

(c) Each Credit Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed. Without in any way limiting the foregoing, this Amendment shall not constitute a novation of the Credit Documents

(d) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Credit Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Section 11.06 of the Credit Agreement shall apply to this Amendment *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

NISOURCE INC.,
as the Borrower

By: /s/ Randy G. Hulen

Name: Randy G. Hulen

Title: Vice President, Investor Relations and Treasurer

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

BARCLAYS BANK PLC,
individually as a Lender and as Administrative Agent

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Oswin Joseph

Name: Oswin Joseph

Title: Executive Director

Corporate & Investment Bank

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

MUFG BANK, LTD.,
as a Lender

By: /s/ Nietzsche Rodricks
Name: Nietzsche Rodricks
Title: Managing Director

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Lender

By: _____
Name: Mikhail Faybusovich
Title: Authorized Signatory

By: /s/ John Basilici
Name: John Basilici
Title: Authorized Signatory

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Gregory R. Gredvig

Name: Gregory R. Gredvig

Title: Director

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Dee Dee Farkas

Name: Dee Dee Farkas

Title: Managing Director

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

COBANK, ACB,
as a Lender

By: /s/ Jared A Greene

Name: Jared A Greene

Title: Assistant Corporate Secretary

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

BNP PARIBAS,
as a Lender

By: /s/ Francis Delaney
Name: Francis Delaney
Title: Managing Director

By: /s/ Victor Padilla
Name: Victor Padilla
Title: Vice President

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Dan Martis

Name: Dan Martis

Title: Authorized Signatory

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Nolan Woodbury

Name: Nolan Woodbury

Title: Assistant Vice President

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Benjamin C Cooper

Name: Benjamin C Cooper

Title: SVP

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Edward Sacks

Name: Edward Sacks

Title: Authorized Signatory

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Rikin Pandya

Name: Rikin Pandya

Title: Authorized Signatory

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Andrew D. Holtz

Name: Andrew D. Holtz

Title: Senior Vice President

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Joseph McElhinny

Name: Joseph McElhinny

Title: Senior Vice President

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ David Dewar

Name: David Dewar

Title: Director

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ John M. Eyerman

Name: John M. Eyerman

Title: Senior Vice President

Signature Page to Amendment No. 1 to
Sixth Amended and Restated Revolving Credit Agreement
NiSource

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 15, 2023

NiSource Inc.
(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 7.01. Regulation FD Disclosure.

On September 15, 2023, NiSource Inc. (the “Company”) issued a press release announcing its intention to remarket, subject to market and other conditions, up to 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of the Company’s equity units.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Intention to Remarket Series C Mandatory Convertible Preferred Stock, dated September 15, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: September 15, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:
September 15, 2023

Consistent With its Long-Term Financial Plan NiSource Inc. Announces its Intention to Remarket the Series C Mandatory Convertible Preferred Stock Relating to its 2021 Equity Units Offering

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today its intention to remarket, subject to market and other conditions, up to 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units (“2021 Equity Units”). The remarketing of the Series C Mandatory Convertible Preferred Stock is in accordance with NiSource’s long-term financial plan but is subject to market and other conditions. NiSource intends to designate the period beginning on October 2, 2023 and ending on October 23, 2023 for the remarketing.

Currently, the Mandatory Convertible Preferred Stock bears no dividends and is convertible only upon the occurrence of certain fundamental change events. On March 1, 2024, each outstanding share of the Mandatory Convertible Preferred Stock will automatically convert into a number of shares of NiSource common stock between 34.9107 and 41.0201 shares of common stock (in each case, subject to customary anti-dilution adjustments), depending on the forty-day volume weighted average price of the common stock over a period preceding March 1, 2024. If the closing price of NiSource common stock on the date of the pricing of the remarketing of the Mandatory Convertible Preferred Stock is \$24.3783 (subject to adjustment) or less, the minimum conversion rate will be increased to an amount equal to \$1,000 divided by 117.5% of such closing price.

In connection with a successful remarketing of the Mandatory Convertible Preferred Stock, dividends may become payable on the Mandatory Convertible Preferred Stock. If dividends become payable, they will be paid when, as and if declared by NiSource’s board of directors out of funds legally available for the payment of dividends, on March 1, 2024. NiSource may also elect December 1, 2023 as a dividend payment date in addition to March 1, 2024. While NiSource may elect to pay dividends on the Mandatory Convertible Preferred Stock in shares of its common stock or a combination of cash and shares, NiSource intends to pay such dividends in cash. While NiSource currently anticipates these terms to be in effect after a successful remarketing, the actual terms of the remarketed Mandatory Convertible Preferred Stock are subject to the remarketing and will be subsequently determined by NiSource and the remarketing agents.

NiSource will not directly receive any of the proceeds from the remarketing of shares of the Mandatory Convertible Preferred Stock. However, upon a successful remarketing,

- a portion of the proceeds from the remarketing attributable to shares of Mandatory Convertible Preferred Stock that were components of the 2021 Equity Units will be automatically applied to purchase a portfolio of U.S. Treasury securities that is intended to mature in an amount sufficient to satisfy in full the 2021 Equity Unit holders' obligations to purchase our common stock under the purchase contract component of their 2021 Equity Units, and any remaining proceeds will be promptly remitted to the holders of the 2021 Equity Units after the remarketing settlement date; and
- the proceeds from the remarketing attributable to holders of separate shares of Mandatory Convertible Preferred Stock who elected to participate in the remarketing will be remitted by the remarketing agent for distribution to such holders on the remarketing settlement date.

Goldman Sachs & Co. LLC is acting as the remarketing agent for this offering. NiSource may add additional remarketing agents for the remarketing.

The remarketing will be made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Mandatory Convertible Preferred Stock in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Any offers to remarket the Mandatory Convertible Preferred Stock will be made exclusively by means of a prospectus supplement and accompanying prospectus.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers.

###

FOR ADDITIONAL INFORMATION

Media

Lynne Evosevich
Corporate Media Relations
(724) 288-1611
levosevich@nisource.com

Investors

Christopher Turnure
Director, Investor Relations
(614) 404-9426
cturnure@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning our ability to complete the remarketing on the anticipated timeline or at all, the anticipated benefits of the remarketing if completed, our plans,

strategies and objectives, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, 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.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 28, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

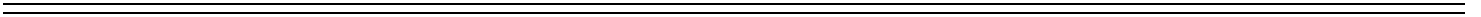
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 7.01. Regulation FD Disclosure.

On September 28, 2023, NiSource Inc. (the “Company”) issued a press release announcing that due to market conditions it has decided to postpone at its option the remarketing of up to 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of the Company’s equity units.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Decision to Postpone the Remarketing of Series C Mandatory Convertible Preferred Stock Due to Market Conditions, dated September 28, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: September 28, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:
September 28, 2023

***NiSource Inc. Announces Decision to Postpone the Remarketing of its
Series C Mandatory Convertible Preferred Stock Due to Market
Conditions***

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today that due to market conditions it has decided to postpone at its option the remarketing of up to 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units.

On September 15, 2023, NiSource announced its intention to remarket the Mandatory Convertible Preferred Stock during the optional remarketing period beginning on October 2, 2023 and ending on October 23, 2023. However, due to market conditions, NiSource has decided to postpone the remarketing of the Mandatory Convertible Preferred Stock to the next remarketing period expected to occur in November 2023.

Goldman Sachs & Co. LLC is expected to continue acting as the remarketing agent for the remarketing.

Any remarketing will be made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Mandatory Convertible Preferred Stock in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Any offers to remarket the Mandatory Convertible Preferred Stock will be made exclusively by means of a prospectus supplement and accompanying prospectus.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NI-F

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FOR ADDITIONAL INFORMATION

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levosevich@nisource.com

Investors

Christopher Turnure
Director, Investor Relations
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cturnure@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning our ability to complete the remarketing on the anticipated timeline or at all, the anticipated benefits of the remarketing if completed, our plans, strategies and objectives, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic;

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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, 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.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): October 5, 2023

NiSource Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

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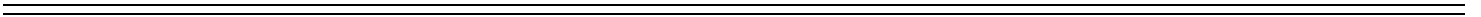
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange
Series A Corporate Units	NIMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 1.01 Entry Into a Material Definitive Agreement

On October 5, 2023, NiSource Inc. (“NiSource”) entered into Amendment No. 1 to Credit Agreement (the “Amendment”), which amends that certain Credit Agreement (the “Existing Agreement”), dated as of December 20, 2022, among NiSource, as Borrower, the financial institutions from time to time party thereto (the “Lenders”) and JPMorgan Chase Bank, N.A., as Administrative Agent. The Amendment revises certain provisions under the Existing Agreement to:

- change the definition of “Change of Control” that refers to Northern Indiana Public Service Company LLC (“NIPSCO”) ceasing to be a wholly-owned subsidiary of the Borrower to refer to Borrower ceasing to own at least 70% of the capital stock of NIPSCO or any permitted successor to NIPSCO;
- change the definition of “Termination Date” from the earlier of December 19, 2023, and the date of termination of commitments or certain events of acceleration to the earlier of March 15, 2024, and the date of certain events of acceleration;
- change the covenant regarding mergers, consolidations and asset transfers among subsidiaries of the Borrower to which NIPSCO is a party from requiring that the continuing or surviving person be a wholly-owned subsidiary of Borrower, to requiring that the Borrower own at least 70% of the capital stock of the continuing or surviving person;
- change the covenant regarding merger, consolidation, or transfer of assets to which NIPSCO is a party from requiring that after the transaction NIPSCO be a wholly-owned subsidiary of the Borrower, to requiring that Borrower own at least 70% of the capital stock of NIPSCO after the transaction; and
- change the date in the covenant regarding sales of assets to reference consolidated total assets of the Borrower and its subsidiaries, determined in accordance with GAAP, on December 31, 2022 rather than on December 31, 2020.

The above description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the complete text of the Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Amendment No. 1 to Credit Agreement made as of October 5, 2023 by and among NiSource Inc., the financial institutions listed on the signature pages and JPMorgan Chase Bank, N.A., as administrative agent.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: October 5, 2023

By: /s/ Shawn Anderson

Shawn Anderson
Executive Vice President and
Chief Financial Officer

Exhibit 10.1

EXECUTION COPY

AMENDMENT NO. 1 TO CREDIT AGREEMENT

Dated as of October 5, 2023

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "Amendment") is made as of October 5, 2023, by and among NiSource Inc., a Delaware corporation (the "Borrower"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), under and in connection with that certain Credit Agreement dated as of December 20, 2022 by and among the Borrower, the financial institutions from time to time party thereto (the "Lenders") and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent agree to certain amendments to the Credit Agreement;

WHEREAS, the Borrower, the Lenders signatory hereto (which constitute all of the Lenders under the Credit Agreement) and the Administrative Agent have so agreed on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Lenders party hereto (which constitute all of the Lenders under the Credit Agreement) and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. Effective as of the date hereof, and subject to the satisfaction of the conditions precedent set forth in Section 2 below, the parties hereto agree that the Credit Agreement is hereby amended as follows:

(a) The definition of "Change of Control" set forth in Section 1.01 of the Credit Agreement is hereby amended to amend and restate clause (f) thereof in its entirety as follows:

"(f) the Borrower shall cease to own at least 70% of the Capital Stock of (x) NIPSCO (except to the extent otherwise permitted under clauses (i) or (ii) of Section 6.01(b)) or (y) any permitted successor to NIPSCO in connection with a transaction permitted under Section 6.01(b)(i)".

(a) The definitions of "NIPSCO" and "Termination Date" set forth in Section 1.01 of the Credit Agreement are each hereby amended and restated in their entirety as follows:

"**"NIPSCO"** means Northern Indiana Public Service Company LLC, an Indiana limited liability company."

“**Termination Date**” means the earlier of (a) March 15, 2024, and (b) the date upon which amounts payable under this Agreement are accelerated pursuant to Section 8.01 or otherwise.”

(b) Section 6.01(b) of the Credit Agreement is hereby amended to amend and restate clause (i) thereof in its entirety as follows:

“(i) any Subsidiary of the Borrower may merge or consolidate with or transfer assets to or acquire assets from any other Subsidiary of the Borrower, provided that in the case of any such merger, consolidation, or transfer of assets to which NIPSCO is a party, the Borrower shall own at least 70% of the Capital Stock of the continuing or surviving Person; and”.

(c) Section 6.01(b) of the Credit Agreement is hereby further amended to amend and restate clause (iii)(C) thereof in its entirety as follows:

“(C) in the case of any such merger, consolidation, or transfer of assets to which NIPSCO is a party, NIPSCO shall be the continuing or surviving corporation and the Borrower shall own at least 70% of the Capital Stock of NIPSCO after giving effect thereto”.

(d) Section 6.01(c) of the Credit Agreement is hereby amended to delete the reference to “December 31, 2020” in clause (ii)(B) thereof and to substitute “December 31, 2022” therefor.

2. Conditions of Effectiveness. The effectiveness of this Amendment on the date hereof is subject to the conditions precedent that (i) the Administrative Agent shall have received counterparts of this Amendment duly executed by the Borrower, the Lenders and the Administrative Agent and (ii) the Administrative Agent shall have received payment and/or reimbursement of the Administrative Agent’s and its affiliates’ fees and expenses (including, to the extent invoiced, documented fees and expenses of counsel for the Administrative Agent) in connection with this Amendment.

3. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants as follows:

(a) The execution and delivery by the Borrower of this Amendment, and the performance by the Borrower of its obligations under this Amendment and the Credit Agreement as modified hereby, are each within the Borrower’s corporate powers and have been duly authorized by all necessary corporate action.

(b) This Amendment and the Credit Agreement as modified hereby constitute legal, valid and binding obligations of the Borrower and are enforceable against the Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) As of the date hereof and after giving effect to the terms of this Amendment, (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Borrower set forth in the Credit Agreement are true and correct in all material respects, except to the extent that such representations and warranties are specifically limited to a prior date, in which case such representations and warranties were true and correct in all material respects on and as of such prior date, provided, that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by “materiality,” “Material Adverse Effect” or similar language in the text thereof.

4. Reference to and Effect on the Credit Agreement.

(a) This Amendment shall constitute a Credit Document.

(b) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Credit Document shall mean and be a reference to the Credit Agreement as amended hereby.

(c) Each Credit Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed. Without in any way limiting the foregoing, this Amendment shall not constitute a novation of the Credit Documents

(d) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Credit Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Section 11.06(b) of the Credit Agreement shall apply to this Amendment *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

NISOURCE INC.,
as the Borrower

By: /s/ Randy G. Hulen

Name: Randy G. Hulen

Title: Vice President, Investor Relations and Treasurer

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

JPMORGAN CHASE BANK, N.A.,
individually as a Lender and as Administrative Agent

By: /s/ Khawaja Tariq
Name: Khawaja Tariq
Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Joseph McElhinny

Name: Joseph McElhinny

Title: Senior Vice President

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Dee Dee Farkas

Name: Dee Dee Farkas

Title: Managing Director

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Patrick Engel

Name: Patrick Engel

Title: Managing Director

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

COBANK, ACB,
as a Lender

By: /s/ David B. Willis

Name: David B. Willis

Title: Lead Relationship Manager

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ David Dewar
Name: David Dewar
Title: Director

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ John Ford

Name: John Ford

Title: Managing Director

Signature Page to Amendment No. 1 to
Credit Agreement (Term Loan)
NiSource

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 19, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 7.01. Regulation FD Disclosure.

On October 19, 2023, NiSource Inc. (the “Company”) issued a press release announcing that the Federal Energy Regulatory Commission granted approval of the acquisition of a 19.9% equity interest in the Company’s Northern Indiana Public Service Company LLC (NIPSCO) subsidiary by an affiliate of Blackstone Infrastructure Partners.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Federal Energy Regulatory Commission’s approval of the acquisition of a 19.9% interest in Northern Indiana Public Service Company LLC by an affiliate of Blackstone Infrastructure Partners dated October 19, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: October 19, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:

October 19, 2023

*NiSource Inc. announces Federal Energy Regulatory Commission
approval of sale of 19.9% equity interest in NIPSCO*

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today the Federal Energy Regulatory Commission (FERC) granted approval of the acquisition of a 19.9% equity interest in the company’s Northern Indiana Public Service Company LLC (NIPSCO) subsidiary by an affiliate of Blackstone Infrastructure Partners (NYSE: BX). As previously announced, upon closing of the transaction, the Blackstone affiliate will acquire a 19.9% equity interest in NIPSCO Holdings II LLC, which owns all of the equity interests of NIPSCO, and NiSource will own the remaining 80.1% of NIPSCO Holdings II LLC.

“We are pleased to have received FERC’s approval of the proposed transaction with Blackstone Infrastructure Partners,” said Shawn Anderson, NiSource’s executive vice president and CFO. “Following the transaction close, NiSource’s balance sheet will be strengthened and positioned to support an ongoing robust capital expenditures program. We believe this valued partnership with Blackstone will greatly benefit our communities in Northwest Indiana, and the further development of our NIPSCO operating company — a critical piece to ensuring long-term safety and reliability, while supporting the energy transition.”

Approval from FERC is the only regulatory approval required for completion of the transaction. NiSource continues to expect the transaction to close by year-end 2023.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes Lists of America’s Best Employers for Women and Diversity. Learn more about NiSource’s record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

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FOR ADDITIONAL INFORMATION

Media

Lynne Evosevich
Corporate Media Relations
(724) 288-1611
levosevich@nisource.com

Investors

Christopher Turnure
Director, Investor Relations
(614) 404-9426
cturnure@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, any statements regarding the ability to complete the sale of a 19.9 percent equity interest sale in NIPSCO Holdings II (the “Transaction”) on the anticipated timeline or at all, the anticipated benefits of the Transaction if completed, the projected impact of the Transactions on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the Transaction, our plans, strategies and objectives, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the Transaction; the ability to satisfy the conditions to closing the Transaction, including the ability to obtain FERC approval necessary to complete the Transaction; the ability to achieve the anticipated benefits of the Transaction; the effect of this communication on NiSource’s stock price; the effects of transaction costs; the effects of the Transaction on industry, market, economic, political or regulatory conditions outside of NiSource’s control; any disruption to NiSource’s business from the Transaction, including the diversion of management time on Transaction-related issues; 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, 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.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 20, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 7.01. Regulation FD Disclosure.

On October 20, 2023, NiSource Inc. (the “Company”) issued a press release announcing the period beginning on November 13, 2023 and ending on November 17, 2023 as the final remarketing period for its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of the Company’s equity units. The Company intends to remarket up to 862,500 shares of the Mandatory Convertible Preferred Stock, subject to market and other conditions.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Final Remarketing Period of its Series C Mandatory Convertible Preferred Stock, dated October 20, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: October 20, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:
October 20, 2023

Consistent With its Long-Term Financial Plan NiSource Inc. Announces Final Remarketing Period of its Series C Mandatory Convertible Preferred Stock Relating to its 2021 Equity Units Offering

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today the period beginning on November 13, 2023 and ending on November 17, 2023 as the final remarketing period for its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units (“2021 Equity Units”). NiSource intends to remarket, subject to market conditions, up to 862,500 shares of its Series C Mandatory Convertible Preferred Stock. While the final remarketing of the Series C Mandatory Convertible Preferred Stock is in accordance with NiSource’s long-term financial plan, the timing of the final remarketing is subject to market and other conditions and NiSource may postpone the final remarketing in its absolute discretion on any day prior to the last business day of the final remarketing period.

Currently, the Mandatory Convertible Preferred Stock bears no dividends and is convertible only upon the occurrence of certain fundamental change events. On March 1, 2024, each outstanding share of the Mandatory Convertible Preferred Stock will automatically convert into a number of shares of NiSource common stock between 34.9107 and 41.0201 shares of common stock (in each case, subject to customary anti-dilution adjustments, including an adjustment for the occurrence of the record date for a cash dividend on NiSource’s common stock scheduled to occur on October 31, 2023), depending on the forty-day volume weighted average price of the common stock over a period preceding March 1, 2024. If the closing price of NiSource common stock on the date of the pricing of the final remarketing of the Mandatory Convertible Preferred Stock is \$24.3783 (subject to adjustment as described above) or less, the minimum conversion rate will be increased to an amount equal to \$1,000 divided by 117.5% of such closing price.

In connection with a successful final remarketing of the Mandatory Convertible Preferred Stock, dividends may become payable on the Mandatory Convertible Preferred Stock. If dividends become payable, they will be paid in cash when, as and if declared by NiSource’s board of directors out of funds legally available for the payment of dividends, on March 1, 2024. While NiSource currently anticipates these terms to be in effect after a successful final remarketing, the actual terms of the remarketed Mandatory Convertible Preferred Stock are subject to the final remarketing and will be subsequently determined by NiSource and the remarketing agents.

NiSource will not directly receive any of the proceeds from the remarketing of shares of the Mandatory Convertible Preferred Stock. However, upon a successful final remarketing,

- a portion of the proceeds from the final remarketing attributable to shares of Mandatory Convertible Preferred Stock that were components of the 2021 Equity Units will be automatically applied to satisfy in full the 2021 Equity Unit holders' obligations to purchase our common stock under the purchase contract component of their 2021 Equity Units, and any remaining proceeds will be promptly remitted to the holders of the 2021 Equity Units after the remarketing settlement date; and
- the proceeds from the final remarketing attributable to holders of separate shares of Mandatory Convertible Preferred Stock who elected to participate in the final remarketing will be remitted by the remarketing agents for distribution to such holders on the remarketing settlement date.

Goldman Sachs & Co. LLC , J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are acting as the remarketing agents for this final remarketing. NiSource may add additional remarketing agents for the final remarketing.

The final remarketing will be made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Mandatory Convertible Preferred Stock in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Any offers to remarket the Mandatory Convertible Preferred Stock will be made exclusively by means of a prospectus supplement and accompanying prospectus.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NI-F

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FOR ADDITIONAL INFORMATION

Media

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levosevich@nisource.com

Investors

Christopher Turnure
Director, Investor Relations
(614) 404-9426
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Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning our ability to complete the final remarketing on the anticipated timeline or at all, the anticipated benefits of the final remarketing if completed, our plans, strategies and objectives, and any and all underlying assumptions and other

statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, 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.

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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 1, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction
of incorporation or organization)

001-16189

Commission
file number

35-2108964

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

**801 East 86th Avenue
Merrillville, IN**

(Address of principal executive offices)

46410

(Zip Code)

Registrant's telephone number, including area code **(877) 647-5990**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 1, 2023, NiSource Inc. (the “Company”) reported its financial results for the period ended September 30, 2023. The Company’s press release, dated November 1, 2023, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated November 1, 2023, issued by NiSource Inc.
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.)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: November 1, 2023

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer
(Principal Accounting Officer)



FOR IMMEDIATE RELEASE:
November 1, 2023

NiSource announces third quarter 2023 results, extension to long-term growth plan

- Reaffirming 2023 non-GAAP NOEPS guidance in upper half of the range
- Introducing 2024 non-GAAP NOEPS guidance and extending annual 6-8% growth from 2023-28
- NIPSCO minority interest transaction with Blackstone Infrastructure Partners on-track for closing by the end of 2023 with recent FERC approval, highlighting diverse funding sources and balance sheet flexibility while preserving the scale of the business
- Incorporating an incremental \$1 billion in capital expenditures across 5-year plan horizon

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) today announced, on a GAAP basis, net income available to common shareholders for the three months ended September 30, 2023, of \$77.0 million, or \$0.17 diluted earnings per share, compared to net income available to common shareholders of \$52.0 million, or \$0.12 diluted earnings per share, for the same period of 2022. For the nine months ended September 30, 2023, on a GAAP basis NiSource's net income available to common shareholders was \$436.1 million, or \$0.98 diluted earnings per share, compared to net income available to common shareholders of \$518.2 million, or \$1.18 diluted earnings per share, for the same period of 2022.

NiSource also reported non-GAAP net operating earnings available to common shareholders of \$83.7 million, or \$0.19 diluted earnings per share, for the three months ended September 30, 2023, compared to non-GAAP net operating earnings available to common shareholders of \$44.6 million, or \$0.10 diluted earnings per share, for the same period of 2022. For the nine months ended September 30, 2023, NiSource's non-GAAP net operating earnings available to common shareholders was \$477.0 million, or \$1.07 diluted earnings per share, compared to non-GAAP net operating earnings available to common shareholders of \$427.2 million, or \$0.97 diluted earnings per share, for the same period of 2022. Schedule 1 of this press release contains a complete reconciliation of GAAP measures to non-GAAP measures.**

2023 NOEPS guidance reaffirmed, introducing 2024 NOEPS guidance and extension to growth plan

NiSource is reiterating 2023 non-GAAP NOEPS to be in the upper half of the \$1.54-1.60 range. In 2024 non-GAAP NOEPS is expected to be in the range of \$1.68-1.72. NiSource is extending its plan to 2028 with non-GAAP NOEPS growth expected to be 6-8% annually, driven by \$16 billion 2024-28 base plan capital expenditures and 8-10% annual 2023-28 rate base growth*. This increases the capital expenditures projected over the next 5-year window by \$1 billion.**

"Today's extended financial plan with 2024 guidance demonstrates strong execution since the initiation of our plan one year ago as well as the resilience and duration of NiSource's fundamental drivers. Balance sheet flexibility and a superior regulatory and stakeholder foundation enable

continued execution of our investment programs while maintaining our commitments through economic and market volatility." said NiSource President and CEO, Lloyd Yates. "This is all made possible by the tireless commitment of our more than 11,300 employees and contractors to customers and communities every day."

* core business rate base growth; select years may exceed range

****Regulation G Disclosure Statement**

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders and diluted earnings per share (NOEPS), which are non-GAAP financial measures as defined by the SEC's Regulation G. The company includes these measures because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to guidance on NOEPS, **NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on net operating earnings due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures.** The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP NOEPS guidance to the comparable GAAP equivalents without unreasonable efforts.

Additional Information

Additional information for the quarter ended September 30, 2023, is available on the Investors section of www.nisource.com, including segment and financial information and a presentation, as well as NiSource's social media channels. The company alerts investors that it intends to use the Investors section of its website www.nisource.com and as well as the company's social media channels to disseminate important information about the company to its investors. Investors are advised to look at NiSource's website and its social media channels for future important information about the company.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission ("SEC").

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FOR ADDITIONAL INFORMATION

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levosevich@nisource.com

Investors

Christopher Turnure
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(614) 404-9426
cturnure@nisource.com

Michael Weisenburger
Lead Analyst, Investor Relations
(614) 202-2595
mweisenburger@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements regarding the purchase and sale agreement that NiSource's wholly-owned subsidiary, NIPSCO Holdings II LLC, entered into with BIP BLUE BUYER L.L.C., an affiliate of Blackstone Infrastructure Partners (the "Investor") on June 17, 2023 whereby Investor will acquire newly issued membership interests of NIPSCO Holdings II LLC which will represent a 19.9% ownership in NIPSCO Holdings II LLC at closing (the "NIPSCO Minority Equity Interest Sale"); statements concerning the ability to complete the NIPSCO Minority Equity Interest Sale on the anticipated timeline or at all; statements concerning the anticipated benefits of the NIPSCO Minority Equity Interest Sale if completed; statements concerning the projected impact of the NIPSCO Minority Equity Interest Sales on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the NIPSCO Minority Equity Interest Sale; 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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 release include, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the NIPSCO Minority Equity Interest Sale; the ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale; the ability to achieve the anticipated benefits of the NIPSCO Minority Equity Interest Sale; the effect of this communication on NiSource's stock price; the effects of transaction costs; the effects of the NIPSCO Minority Equity Interest Sale on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the NIPSCO Minority Equity Interest Sale, including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues; 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the

actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, 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.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
GAAP Net Income Available to Common Shareholders	\$ 77.0	\$ 52.0	\$ 436.1	\$ 518.2
Adjustments to Operating Income :				
Operating Revenues:				
Weather - compared to normal	9.0	(10.4)	47.2	(21.7)
FAC adjustment ⁽¹⁾	—	—	—	8.0
Operating Expenses:				
NiSource Next initiative ⁽²⁾	—	0.6	—	3.3
Massachusetts Business related amounts ⁽³⁾	—	—	—	\$ (105.0)
Total adjustments to operating income	9.0	(9.8)	47.2	(115.4)
Income Taxes:				
Tax effect of above items ⁽⁴⁾	(2.3)	2.4	(12.5)	24.4
Preferred Dividends:				
Preferred dividends redemption premium ⁽⁵⁾	—	—	6.2	—
Total adjustments to net income (loss)	6.7	(7.4)	40.9	(91.0)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	\$ 83.7	\$ 44.6	\$ 477.0	\$ 427.2
Diluted Average Common Shares	448.3	443.4	447.4	441.7
GAAP Diluted Earnings Per Share⁽⁶⁾	\$ 0.17	\$ 0.12	\$ 0.98	\$ 1.18
Adjustments to diluted earnings (loss) per share	0.02	(0.02)	0.09	(0.21)
Non-GAAP Diluted Net Operating Earnings Per Share	\$ 0.19	\$ 0.10	\$ 1.07	\$ 0.97

⁽¹⁾Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.

⁽²⁾Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

⁽³⁾Represents proceeds from a property insurance settlement related to the Greater Lawrence Incident.

⁽⁴⁾Represents income tax expense calculated using the statutory tax rates by legal entity.

⁽⁵⁾Represents the premium from our Series A Preferred Stock redemption calculated as the difference between the carrying value of the Series A Preferred Stock and the total amount of consideration paid to redeem.

⁽⁶⁾The GAAP Diluted Earnings Per Share numerator is equal to Net Operating Earnings Available to Common Shareholders adjusted for income allocated to participating securities and add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 9, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

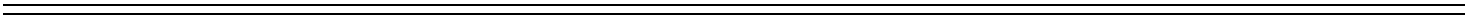
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange
Series A Corporate Units	NIMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 1.01 **Entry into a Material Definitive Agreement**

On November 9, 2023, NiSource Inc. (the “Company”), as Borrower, entered into a Credit Agreement (the “Agreement”) with the lenders party thereto (the “Lenders”) and U.S. Bank National Association, as Administrative Agent, Sole Lead Arranger and Bookrunner. Under the Agreement, the Company borrowed \$250 million, representing the aggregate commitments of the Lenders under the Agreement. The Agreement terminates on the earlier of (a) November 7, 2024, and (b) the date upon which (i) all commitments are terminated if not previously expired and (ii) amounts payable under the Agreement are accelerated.

The borrowings under the Agreement bear interest based on the nature of the borrowings made by Company at:

- a rate equal to the base rate, which means, for any day, a rate per annum equal to the Alternate Base Rate (defined below) for such day plus 0.05%; or
- a rate equal to Term SOFR, which means, for the relevant interest period the greater of (a) zero and (b) the sum of (i) the Term SOFR Screen Rate (as defined in the Agreement) for such interest period, (ii) plus 0.10%, *plus* 1.05%.

The “Alternate Base Rate” is a floating rate equal to the highest of (a) zero, (b) the prime rate of interest announced from time to time by U.S. Bank National Association or its parent, (c) the sum of the Federal Funds Effective Rate plus 0.50% per annum and (d) the Adjusted Term SOFR Screen Rate (without giving effect to certain adjustments as provided in the Agreement) for a one-month interest period for Dollars plus 1.00%. If the Alternate Base Rate is being used when Term Benchmark Borrowings (as defined in the Agreement) are unavailable under certain terms of the Agreement, then the Alternate Base Rate will be the highest of clauses (a), (b) and (c) above, without reference to clause (d) above.

The Agreement contains customary affirmative and negative covenants, as well as customary events of default. The Agreement includes one financial covenant, a maximum debt-to-capitalization covenant set at 70%, which is consistent with the Company’s existing \$1.85 billion Sixth Amended and Restated Revolving Credit Agreement.

The description above is a summary of the Agreement and is qualified in its entirety by the complete text of the Agreement, a copy of which is attached to this report as Exhibit 10.1 and incorporated herein by reference.

Item 2.03 **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01 **Financial Statements and Exhibits**

(d) *Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
10.1	Credit Agreement, dated as of November 9, 2023, among NiSource Inc., as Borrower, the lenders party there to, and U.S. Bank National Association, as Administrative Agent, as Sole Lead Arranger and Bookrunner.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: November 9, 2023

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

Exhibit 10.1

EXECUTION COPY

CREDIT AGREEMENT

among

NISOURCE INC.,
as Borrower,

THE LENDERS PARTY HERETO,

and

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent,

U.S. BANK NATIONAL ASSOCIATION,
as Sole Lead Arranger and Bookrunner

Dated as of November 9, 2023

TABLE OF CONTENTS

	<i>Page</i>
ARTICLE I	
DEFINITIONS	1
SECTION 1.01. DEFINED TERMS	1
SECTION 1.02. CLASSIFICATION OF LOANS AND BORROWINGS	22
SECTION 1.03. TERMS GENERALLY	22
SECTION 1.04. ACCOUNTING TERMS; GAAP	23
SECTION 1.05. [RESERVED]	24
SECTION 1.06. TERM SOFR NOTIFICATION	24
ARTICLE II	
THE CREDITS	24
SECTION 2.01. COMMITMENTS	24
SECTION 2.02. LOANS AND BORROWINGS; REQUEST FOR BORROWINGS	25
SECTION 2.03. [RESERVED]	26
SECTION 2.04. [RESERVED]	26
SECTION 2.05. FUNDING OF BORROWINGS	26
SECTION 2.06. INTEREST ELECTIONS	26
SECTION 2.07. TERMINATION OF COMMITMENTS	28
SECTION 2.08. EXPANSION OPTION	28
SECTION 2.09. [RESERVED]	29
SECTION 2.10. REPAYMENT OF LOANS; EVIDENCE OF DEBT	29
SECTION 2.11. OPTIONAL PREPAYMENT OF LOANS	29
SECTION 2.12. FEES	30
SECTION 2.13. INTEREST	30
SECTION 2.14. AVAILABILITY OF TYPES OF BORROWINGS; ADEQUACY OF INTEREST RATE; BENCHMARK REPLACEMENT	31
SECTION 2.15. INCREASED COSTS	33
SECTION 2.16. FUNDING INDEMNIFICATION	34
SECTION 2.17. TAXES	35
SECTION 2.18. PAYMENTS GENERALLY; PRO RATA TREATMENT; SHARING OF SET-OFFS	38
SECTION 2.19. MITIGATION OBLIGATIONS; REPLACEMENT OF LENDERS	40
SECTION 2.20. DEFAULTING LENDERS	41
SECTION 2.21. ILLEGALITY	41
ARTICLE III	
CONDITIONS	42
SECTION 3.01. CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THIS AGREEMENT AND THE LOANS	42
SECTION 3.02. CONDITIONS PRECEDENT TO EACH EXTENSION OF CREDIT	43

ARTICLE IV	
REPRESENTATIONS AND WARRANTIES	44
SECTION 4.01. REPRESENTATIONS AND WARRANTIES OF THE BORROWER	44
ARTICLE V	
AFFIRMATIVE COVENANTS	47
SECTION 5.01. AFFIRMATIVE COVENANTS	47
ARTICLE VI	
NEGATIVE COVENANTS	50
SECTION 6.01. NEGATIVE COVENANTS	50
ARTICLE VII	
FINANCIAL COVENANT	54
ARTICLE VIII	
EVENTS OF DEFAULT	54
SECTION 8.01. EVENTS OF DEFAULT	54
SECTION 8.02. APPLICATION OF PAYMENT	57
ARTICLE IX	
THE ADMINISTRATIVE AGENT	58
SECTION 9.01. THE ADMINISTRATIVE AGENT	58
SECTION 9.02. ACKNOWLEDGMENTS OF LENDERS	60
ARTICLE X	
CERTAIN ERISA MATTERS	62
SECTION 10.01. CERTAIN ERISA MATTERS	62
ARTICLE XI	
MISCELLANEOUS	64
SECTION 11.01. NOTICES	64
SECTION 11.02. WAIVERS; AMENDMENTS	66
SECTION 11.03. EXPENSES; INDEMNITY; DAMAGE WAIVER	67
SECTION 11.04. SUCCESSORS AND ASSIGNS	68
SECTION 11.05. SURVIVAL	71
SECTION 11.06. COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION	71
SECTION 11.07. SEVERABILITY	72
SECTION 11.08. RIGHT OF SETOFF	72
SECTION 11.09. GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS	73
SECTION 11.10. WAIVER OF JURY TRIAL	74
SECTION 11.11. HEADINGS	74
SECTION 11.12. CONFIDENTIALITY	74
SECTION 11.13. USA PATRIOT ACT	75
SECTION 11.14. ACKNOWLEDGMENTS	75
SECTION 11.15. ACKNOWLEDGMENT AND CONSENT TO BAIL-IN OF AFFECTED FINANCIAL INSTITUTIONS	76
SECTION 11.16. INTEREST RATE LIMITATION	77
SECTION 11.17. PAYMENTS SET ASIDE	77

ANNEXES, EXHIBITS AND SCHEDULES

EXHIBIT A	Form of Assignment and Assumption
EXHIBIT B	Form of Opinion of McGuireWoods LLP
EXHIBIT C	Borrowing Request
EXHIBIT D	Form of Increasing Lender Supplement
EXHIBIT E	Form of Augmenting Lender Supplement
EXHIBIT F	Form of Note
EXHIBIT G	Interest Election Request
EXHIBIT H	Prepayment Notice
EXHIBIT I-1	Form of U.S. Tax Certificate (Foreign Lenders That Are Not Partnerships)
EXHIBIT I-2	Form of U.S. Tax Certificate (Foreign Participants That Are Not Partnerships)
EXHIBIT I-3	Form of U.S. Tax Certificate (Foreign Participants That Are Partnerships)
EXHIBIT I-4	Form of U.S. Tax Certificate (Foreign Lenders That Are Partnerships)
SCHEDULE 2.01	Lenders and Commitments
SCHEDULE 6.01(e)	Existing Agreements

CREDIT AGREEMENT, dated as of November 9, 2023 (this “*Agreement*”), among **NISOURCE INC.**, a Delaware corporation, as Borrower (the “*Borrower*”), the Lenders from time to time party hereto and **U.S. BANK NATIONAL ASSOCIATION**, as administrative agent for the Lenders hereunder (in such capacity, the “*Administrative Agent*”). The parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“*ABR*”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

“*Act*” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“*Administrative Agent*” has the meaning assigned to such term in the preamble hereto.

“*Adjusted Term SOFR Screen Rate*” means, with respect to any Term Benchmark Borrowing for any Interest Period, an interest rate per annum equal to the greater of (a) zero and (b) the sum of (i) the Term SOFR Screen Rate for such Interest Period, plus (ii) the SOFR Adjustment.

“*Administrative Questionnaire*” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“*Affected Financial Institution*” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“*Affiliate*” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“*Agent Party*” has the meaning assigned to such term in Section 11.01(h)(ii).

“*Aggregate Commitments*” means the aggregate amount of the Commitments of all Lenders, as in effect from time to time. As of the date hereof, the Aggregate Commitments equal \$250,000,000.

“*Alternate Base Rate*” means, for any day, a rate of interest per annum equal to the highest of (a) zero, (b) the Prime Rate for such day, (c) the sum of the Federal Funds Effective Rate for such day plus 0.50% per annum and (d) the Adjusted Term SOFR Screen Rate (without giving effect to the Applicable Rate) for a one-month Interest Period on such day (or if such day is not a

Business Day or if the Term SOFR Screen Rate for such Business Day is not published due to a holiday or other circumstance that the Administrative Agent deems in its sole discretion to be temporary, the immediately preceding Business Day) for Dollars plus 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate, or the Adjusted Term SOFR Screen Rate shall be effective from the effective date of such change. If the Alternate Base Rate is being used when Term Benchmark Borrowings are unavailable pursuant to Section 2.06(e) or 2.14, then the Alternate Base Rate shall be the highest of clauses (a), (b) and (c) above, without reference to clause (d) above.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering.

“**Applicable Percentage**” means, with respect to any Lender, a percentage equal to a fraction the numerator of which is such Lender’s outstanding principal amount of the Loans and the denominator of which is the aggregate outstanding principal amount of the Loans of all Lenders.

“**Applicable Rate**” means, for any day, a rate per annum equal to (a) 0.05% with respect to any ABR Loan and (b) 1.05% with respect to any Term Benchmark Loan.

“**Arranger**” means U.S. Bank National Association, in its capacity as sole lead arranger and bookrunner for the Lenders hereunder.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“**Authorized Officer**” means the president, chief financial officer or the treasurer of the Borrower; provided that solely with respect to the submission of a Borrowing Request, “**Authorized Officer**” shall also mean the assistant treasurer, the treasury operations manager or the corporate finance manager of the Borrower.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time)

and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Base Rate” means, for any day, a rate per annum equal to (a) the Alternate Base Rate for such day plus (b) the Applicable Rate for such day, in each case changing when and as the Alternate Base Rate or the Applicable Rate changes.

“Benchmark” means, initially, in the case of Term Benchmark Borrowings, the Term SOFR Screen Rate; provided that if a replacement of the Benchmark has occurred pursuant to Section 2.14(b), then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to Section 2.14(b).

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) the sum of: (a) Daily Simple SOFR and (b) the SOFR Adjustment; or
- (2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Credit Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement pursuant to clause (2) of the definition of “Benchmark Replacement” for any applicable Interest Period and Available Tenor for any setting of such Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Borrowing” and “Term Benchmark Borrowing,” the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date; and

(3) in the case of an Early Opt-in Election, the Business Day specified by the Administrative Agent in the notice of the Early Opt-in Election provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (Central time) on the fifth Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (3) a public statement or publication of information by any of the entities referenced in clause (2) above announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark in accordance with Section 2.14(b), and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark in accordance with Section 2.14(b).

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“**Board**” means the Board of Governors of the Federal Reserve System of the United States of America.

“**Board of Directors**” means, with respect to any Person, (i) in the case of any corporation, the board of directors of such Person, (ii) in the case of any limited liability company, the board of managers (or equivalent) of such Person, (iii) in the case of any partnership, the board of directors (or equivalent) of the general partner of such Person and (iv) in any other case, the functional equivalent of the foregoing.

“**Borrower**” means NiSource Inc., a Delaware corporation.

“**Borrowing**” means Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

“**Borrowing Request**” means a request by the Borrower for a Borrowing in accordance with Section 2.02.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks generally are open in New York City, New York for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system; provided that, when used in connection with SOFR or the Term SOFR Screen Rate, the term “Business Day” excludes any day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“**Capital Lease**” means, as to any Person, any lease of real or personal property in respect of which the obligations of the lessee are required, in accordance with GAAP, to be capitalized on the balance sheet of such Person, *provided that*, for purposes of this Agreement:

- (i) any changes in GAAP pursuant to ASC Topic 840 or 842 (or any successor thereto) that would treat as capital leases any operating leases existing as of the date of this Agreement (and any renewals or replacements thereof), and

(ii) additional operating leases entered into after the date of this Agreement (to the extent not exceeding \$100,000,000 in aggregate notional amount for all such capitalized lease obligations),

in each case that would not have been treated as capital leases under GAAP as in effect on December 31, 2021, will not be given effect for purposes of calculation of the financial covenant contained in Article VII.

“**Capital Stock**” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person other than a corporation (including, but not limited to, all common stock and preferred stock and partnership, membership and joint venture interests or units in a Person), and any and all warrants, rights or options to purchase any of the foregoing.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act, 42, U.S.C. Section 9601 et seq., as amended.

“**Change in Law**” means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided, however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“**Change of Control**” means (a) any “person” or “group” within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended, shall become the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of more than 50% of the then outstanding voting Capital Stock of the Borrower, (b) Continuing Directors shall cease to constitute at least a majority of the directors constituting the Board of Directors of the Borrower, (c) a consolidation or merger of the Borrower shall occur after which the holders of the outstanding voting Capital Stock of the Borrower immediately prior thereto hold less than 50% of the outstanding voting Capital Stock of the surviving entity, (d) more than 50% of the outstanding voting Capital Stock of the Borrower shall be transferred to an entity of which the Borrower owns less than 50% of the outstanding voting Capital Stock, (e) there shall

occur a sale of all or substantially all of the assets of the Borrower or (f) the Borrower shall cease to own at least 70% of the Capital Stock of (x) NIPSCO (except to the extent otherwise permitted under clauses (i) or (ii) of Section 6.01(b)) or (y) any permitted successor to NIPSCO in connection with a transaction permitted under Section 6.01(b)(i).

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Commitment**” means, with respect to each Lender, the commitment of such Lender to make its Loan hereunder on the Effective Date as set forth on Schedule 2.01 opposite such Lender’s name and each additional commitment to make loans as provided under Section 2.08 from time to time.

“**Communications**” has the meaning assigned to such term in Section 11.01(h)(ii).

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“**Consolidated Capitalization**” means the sum of (a) Consolidated Debt, (b) all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries under total stockholders’ equity at such time and (c) without duplication of any amounts in (b), Hybrid Securities and Mandatorily Convertible Securities not exceeding 15% of Consolidated Capitalization.

“**Consolidated Debt**” means, at any time, the Indebtedness of the Borrower and its Consolidated Subsidiaries that would be classified as debt on a balance sheet of the Borrower determined on a consolidated basis in accordance with GAAP, provided that for purposes of calculation of the financial covenant contained in Article VII Consolidated Debt shall exclude Hybrid Securities and Mandatorily Convertible Securities not exceeding 15% of Consolidated Capitalization. For the avoidance of doubt, the aggregate amount of Hybrid Securities and Mandatorily Convertible Securities in excess of 15% of Consolidated Capitalization will be included in Consolidated Debt.

“**Consolidated Subsidiary**” means, on any date, each Subsidiary of the Borrower the accounts of which, in accordance with GAAP, would be consolidated with those of the Borrower in its consolidated financial statements if such statements were prepared as of such date.

“**Contingent Guaranty**” means a direct or contingent liability in respect of a Project Financing (whether incurred by assumption, guaranty, endorsement or otherwise) that either (a) is limited to guarantying performance of the completion of the Project that is financed by such Project Financing or (b) is contingent upon, or the obligation to pay or perform under which is contingent upon, the occurrence of any event other than failure of the primary obligor to pay upon final maturity (whether by acceleration or otherwise).

“**Continuing Directors**” means (a) all members of the Board of Directors of the Borrower who have held office continually since the Effective Date, and (b) all members of the Board of Directors of the Borrower who were elected as directors after the Effective Date and whose nomination for election was approved by a vote of at least 50% of the Continuing Directors.

“**Contractual Obligation**” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “**Controlling**” and “**Controlled**” have meanings correlative thereto.

“**Corresponding Tenor**” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“**Credit Documents**” means (a) this Agreement, any promissory notes executed pursuant to Section 2.10, and any Assignment and Assumptions, (b) any certificates, opinions and other documents required to be delivered pursuant to Section 3.01 and (c) any other documents delivered by the Borrower pursuant to or in connection with any one or more of the foregoing.

“**Creditor Party**” means the Administrative Agent or any other Lender.

“**Daily Simple SOFR**” means for any day, an interest rate per annum equal to SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“**Debt for Borrowed Money**” means, as to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all Capital Lease obligations of such Person, and (d) all obligations of such Person under synthetic leases, tax retention operating leases, off-balance sheet loans or other off-balance sheet financing products that, for tax purposes, are considered indebtedness for borrowed money of the lessee but are classified as operating leases under GAAP.

“**Debt to Capitalization Ratio**” means, at any time, the ratio of Consolidated Debt to Consolidated Capitalization.

“**Debtor Relief Laws**” means the Federal Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Default**” means any event or condition that constitutes an Event of Default or that, upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to any Creditor Party any other amount required to be paid by it hereunder or (b) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

“Determination Date” has the meaning provided in the definition of Term SOFR Screen Rate.

“Disposition” or **“Dispose”** means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) of any property by any Person (including any sale and leaseback transaction and any issuance of Capital Stock by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Dividing Person” has the meaning assigned to it in the definition of “Division”.

“Division” means the division of the assets, liabilities and/or obligations of a Person (the “Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive. For all purposes under the Credit Documents, in connection with any Division: (a) if any asset, right, obligation or liability of any Dividing Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Capital Stock at such time.

“Dollars” or **“\$”** refers to lawful money of the United States of America.

“Early Opt-in Election” means, if the then-current Benchmark is Term SOFR, the joint election by the Administrative Agent and the Borrower to trigger a fallback from Term SOFR to the Benchmark Replacement, and a notification by the Administrative Agent to each of the other parties hereto of such election and the proposed Benchmark Replacement.

“EEA Financial Institution” means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Effective Date**” means the date on which each of the conditions precedent set forth in Section 3.01 have been satisfied or waived by the Lenders in accordance with Section 11.02.

“**Electronic Signature**” means an electronic sound, symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“**Electronic System**” means any electronic system, including (i) e-mail, (ii) e-fax, (iii) Intralinks[®], Syndtrak[®], ClearPar[®] and (iv) any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and any of its Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“**Environmental Laws**” means any and all foreign, federal, state, local or municipal laws (including, without limitation, common laws), rules, orders, regulations, statutes, ordinances, codes, decrees, judgments, awards, writs, injunctions, requirements of any Governmental Authority or other requirements of law regulating, relating to or imposing liability or standards of conduct concerning, pollution, waste, industrial hygiene, occupational safety or health, the presence, transport, manufacture, generation, use, handling, treatment, distribution, storage, disposal or release of Hazardous Materials, or protection of human health, plant life or animal life, natural resources or the environment, as now or at any time hereafter in effect.

“**Environmental Liability**” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**ERISA Affiliate**” means any Person who, for purposes of Title IV of ERISA, is a member of the Borrower’s controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Code and the regulations promulgated and rulings issued thereunder.

“**ERISA Event**” means (a) a reportable event, within the meaning of Section 4043 of ERISA, with respect to a Plan unless the 30-day notice requirement with respect thereto has been waived by the PBGC, (b) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) and 4041(c) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA), (c) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA, (d) the failure by the Borrower or any ERISA Affiliate to make a payment to a Plan required under

Section 302 of ERISA, for which Section 303(k) of ERISA imposes a lien for failure to make required payments, or (e) the institution by the PBGC of proceedings to terminate a Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which may reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Plan.

“**Erroneous Payment**” has the meaning assigned to such term in Section 9.02(c)(i).

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“**Event of Default**” has the meaning assigned to such term in Article VIII.

“**Excluded Taxes**” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on (or measured by) its net income or net earnings (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.17(e) or (f), and (d) any Taxes imposed under FATCA.

“**Extension of Credit**” means the making by any Lender of a Loan.

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“**Federal Bankruptcy Code**” means Title 11 of the United States Code (11 U.S.C. § 101 et seq.) as now or hereafter in effect, or any successor statute.

“**Federal Funds Effective Rate**” means, for any day, the greater of (a) zero and (b) the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Central time) on such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent in its reasonable discretion.

“**Floor**” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Screen Rate. For the avoidance of doubt, the initial Floor for the Adjusted Term SOFR Screen Rate shall be 0.0%.

“**Foreign Lender**” means any Lender that is not a U.S. Person.

“**GAAP**” means generally accepted accounting principles in the United States of America consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) and (f).

“**Governmental Authority**” means the government of the United States of America, any other nation, or any political subdivision of the United States of America or any other nation, whether state or local, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“**Hazardous Materials**” means any asbestos; flammables; volatile hydrocarbons; industrial solvents; explosive or radioactive materials; hazardous wastes; toxic substances; liquefied natural gas; natural gas liquids; synthetic gas; oil, petroleum, or related materials and any constituents, derivatives, or byproducts thereof or additives thereto; or any other material, substance, waste, element or compound (including any product) regulated pursuant to any Environmental Law, including, without limitation, substances defined as “hazardous substances,” “hazardous materials,” “contaminants,” “pollutants,” “hazardous wastes,” “toxic substances,” “solid waste,” or “extremely hazardous substances” in (i) CERCLA, (ii) the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., (iii) the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (iv) the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq., (v) the Clean Air Act, 42 U.S.C. Section 7401 et seq., (vi) the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., (vii) the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., or (viii) foreign, state, local or municipal law, in each case, as may be amended from time to time.

“**Hybrid Securities**” means, on any date, any securities, other than common stock, issued by the Borrower or a Hybrid Vehicle that meet the following criteria: (a) at the time of issuance and at the time of any amendment, restatement or other modification of the related indenture or other operative documentation in respect of such securities, such securities are classified as possessing a minimum of “intermediate equity content” by S&P, Basket B equity credit by Moody’s, and 50% equity credit by Fitch Ratings Ltd. (or any successor) (or the equivalent classifications then in effect by such agencies), (b) such securities require no repayments or prepayments and no mandatory redemptions or repurchases, in each case prior to a date at least 91 days after the Termination Date and (c) the claims of holders of any such securities are subordinated to the claims of the Administrative Agent and the Lenders in respect of the Obligations on terms reasonably satisfactory to the Administrative Agent. As used in this definition, “mandatory redemption” shall not include conversion of a security into common stock of the Borrower or the applicable Hybrid Vehicle.

“Hybrid Vehicle” means a special purpose subsidiary directly owned by the Borrower, or a trust formed by the Borrower, in each case for the sole purpose of issuing Hybrid Securities and which conducts no business other than the issuance of Hybrid Securities and activities incidental thereto.

“Indebtedness” of any Person means (without duplication) (a) Debt for Borrowed Money, (b) obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business which are not overdue, (c) all obligations, contingent or otherwise, of such Person in respect of any letters of credit, bankers’ acceptances or interest rate, currency or commodity swap, cap or floor arrangements, (d) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the indebtedness secured thereby has been assumed, (e) all amounts payable by such Person in connection with mandatory redemptions or repurchases of preferred stock, and (f) obligations of such Person under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (e) above.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” has the meaning set forth in Section 11.03.

“Index Debt” means the senior unsecured long-term debt securities of the Borrower, without third-party credit enhancement provided by a Person other than the Borrower.

“Ineligible Institution” has the meaning assigned to such term in Section 11.04(b).

“Information” has the meaning set forth in Section 11.12.

“Insufficiency” means, with respect to any Plan, the amount, if any, by which the present value of all vested and unvested accrued benefits under such Plan exceeds the fair market value of assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan using actuarial assumptions used in determining such Plan’s target normal cost for purposes of Section 430(b) of the Code.

“Interest Election Request” means a request by the Borrower to convert or continue all or a portion of a Borrowing in accordance with Section 2.06.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Termination Date, and (b) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of

more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and the Termination Date.

"Interest Period" means, with respect to a Term Benchmark Borrowing, a period of one, three or six months (in each case, subject to the availability thereof) commencing on a Business Day selected by the Borrower pursuant to this Agreement and ending on the day that corresponds numerically to such date one, three or six months thereafter; provided that

- (a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such succeeding Business Day falls in a new calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;
- (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;
- (c) no Interest Period shall extend beyond the Facility Termination Date; and
- (d) no tenor that has been removed from this definition pursuant to Section 2.14 (b)(iv) may be available for selection by the Borrower.

"Law" means, collectively, all international, foreign, federal, state, provincial, and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lender Party" has the meaning assigned to such term in Section 9.02(c)(i).

"Lenders" means the Persons listed on Schedule 2.01, including any such Person identified thereon or in the signature pages hereto as Lender, and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Lien" has the meaning set forth in Section 6.01(a).

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Mandatorily Convertible Securities" means any mandatorily convertible equity-linked securities issued by the Borrower or a Hybrid Vehicle that meet the following criteria: (a) such securities require no repayments or prepayments and no mandatory redemptions or repurchases (other than repayments, prepayments, redemptions or repurchases that are to be settled by the issuance of equity securities by the Borrower), in each case prior to at least 91 days after the

Termination Date and (b) the claims of holders of any such securities are subordinated to the claims of the Administrative Agent and the Lenders in respect of the Obligations on terms reasonably satisfactory to the Administrative Agent. As used in this definition, “mandatory redemption” shall not include conversion of a security into common stock of the Borrower.

“**Margin Stock**” means margin stock within the meaning of Regulations U and X issued by the Board.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, assets, operations, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries taken as a whole; (b) the validity or enforceability of any of Credit Documents or the rights, remedies and benefits available to the Administrative Agent and the Lenders thereunder; or (c) the ability of the Borrower to consummate the Transactions.

“**Material Subsidiary**” means at any time NIPSCO, and each Subsidiary of the Borrower, other than NIPSCO, in respect of which:

(a) the Borrower’s and its other Subsidiaries’ investments in and advances to such Subsidiary and its Subsidiaries exceed 10% of the consolidated total assets of the Borrower and its Subsidiaries taken as a whole, as of the end of the most recent fiscal year; or

(b) the Borrower’s and its other Subsidiaries’ proportionate interest in the total assets (after intercompany eliminations) of such Subsidiary and its Subsidiaries exceeds 10% of the consolidated total assets of the Borrower and its Subsidiaries as of the end of the most recent fiscal year; or

(c) the Borrower’s and its other Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles of such Subsidiary and its Subsidiaries exceeds 10% of the consolidated income of the Borrower and its Subsidiaries for the most recent fiscal year.

“**Moody’s**” means Moody’s Investors Service, Inc., and any successor thereto.

“**Multiemployer Plan**” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and to which the Borrower or an ERISA Affiliate makes, or is required to make, contributions or otherwise has any liability (including contingent liability).

“**Multiple Employer Plan**” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, which (a) is maintained for employees of the Borrower or an ERISA Affiliate and at least one Person other than the Borrower and its ERISA Affiliates, or (b) was so maintained and in respect of which the Borrower or an ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event that such plan has been or were to be terminated.

“**NIPSCO**” means Northern Indiana Public Service Company LLC, an Indiana limited liability company.

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all or all affected Lenders in accordance with the terms of Section 11.02 and (ii) has been approved by the Required Lenders.

“**Non-Recourse Debt**” means Indebtedness of the Borrower or any of its Subsidiaries which is incurred in connection with the acquisition, construction, sale, transfer or other Disposition of specific assets, to the extent recourse, whether contractual or as a matter of law, for non-payment of such Indebtedness is limited (a) to such assets or (b) if such assets are (or are to be) held by a Subsidiary formed solely for such purpose, to such Subsidiary or the Capital Stock of such Subsidiary.

“**Obligations**” means all amounts, direct or indirect, contingent or absolute, of every type or description, and at any time existing and whenever incurred (including, without limitation, after the commencement of any bankruptcy proceeding), owing to the Administrative Agent or any Lender pursuant to the terms of this Agreement or any other Credit Document.

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

“**Other Taxes**” means any and all present or future stamp, documentary or similar Taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“**Outstanding Loans**” means, as to any Lender at any time, the aggregate principal amount of all Loans made or maintained by such Lender then outstanding.

“**Participant**” has the meaning set forth in Section 11.04.

“**Participant Register**” has the meaning set forth in Section 11.04.

“**Payment Recipient**” has the meaning assigned to such term in Section 9.02(c)(i).

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“**Permitted Convertible Indebtedness**” means senior, unsecured Indebtedness of the Borrower that is convertible into (a) shares of common stock of the Borrower (or other securities or property following a merger event, reclassification or other change of the common stock of the Borrower), cash or a combination thereof (such amount of cash determined by reference to the price of the Borrower’s common stock or such other securities or property), and (b) cash in lieu of fractional shares of common stock of the Borrower.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Plan**” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“**Plan Asset Regulations**” means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA.

“**Prime Rate**” means a rate per annum equal to the prime rate of interest announced from time to time by U.S. Bank National Association or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as such prime rate changes.

“**Project**” means an energy or power generation, transmission or distribution facility (including, without limitation, a thermal energy generation, transmission or distribution facility and an electric power generation, transmission or distribution facility (including, without limitation, a cogeneration facility)), a gas production, transportation or distribution facility, or a minerals extraction, processing or distribution facility, together with (a) all related electric power transmission, fuel supply and fuel transportation facilities and power supply, thermal energy supply, gas supply, minerals supply and fuel contracts, (b) other facilities, services or goods that are ancillary, incidental, necessary or reasonably related to the marketing, development, construction, management, servicing, ownership or operation of such facility, (c) contractual arrangements with customers, suppliers and contractors in respect of such facility, and (d) any infrastructure facility related to such facility, including, without limitation, for the treatment or management of waste water or the treatment or remediation of waste, pollution or potential pollutants.

“**Project Financing**” means any tax equity investment in, or Indebtedness incurred by, a Project Financing Subsidiary to finance (a) the development and operation of the Project such Project Financing Subsidiary was formed to develop or (b) activities incidental thereto; *provided* that such Indebtedness or tax equity investment does not include recourse to the Borrower or any of its other Subsidiaries other than (x) recourse to the Capital Stock in any such Project Financing Subsidiary, and (y) recourse pursuant to a Contingent Guaranty.

“**Project Financing Subsidiary**” means any Subsidiary of the Borrower (a) that (i) is not a Material Subsidiary, and (ii) whose principal purpose is to develop a Project and activities incidental thereto (including, without limitation, the financing and operation of such Project), or to become a partner, member or other equity participant in a partnership, limited liability company or other entity having such a principal purpose, and (b) substantially all the assets of which are limited to the assets relating to the Project being developed or Capital Stock in such partnership, limited liability company or other entity (and substantially all of the assets of any such partnership, limited liability company or other entity are limited to the assets relating to such Project); *provided* that such Subsidiary incurs no Indebtedness other than in respect of a Project Financing.

“**PTE**” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“**Recipient**” means, as applicable, (a) the Administrative Agent and (b) any Lender.

“**Reference Time**” means the time determined by the Administrative Agent in its reasonable discretion.

“**Referenced Annual Financial Statements**” means the consolidated balance sheet of the Borrower and its Subsidiaries dated as of December 31, 2022, and related statements of income, statements of cash flows and common shareholders’ equity of the Borrower and its Subsidiaries for the fiscal year then ended.

“**Referenced Quarterly Financial Statements**” means the unaudited consolidated balance sheet of the Borrower and its Subsidiaries dated as of June 30, 2023, and related statements of income, statements of cash flows and common shareholders’ equity of the Borrower and its Subsidiaries for nine-month period then ended.

“**Register**” has the meaning set forth in Section 11.04.

“**Related Parties**” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents, partners, advisors and representatives of such Person and such Person’s Affiliates.

“**Relevant Governmental Body**” means the Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board or the Federal Reserve Bank of New York, or any successor thereto.

“**Required Lenders**” means, at any time and subject to the terms of Section 2.20, Lenders having more than 50% of (a) the aggregate amount of the Commitments plus the aggregate amount of Outstanding Loans of all Lenders at such time, or (b) if all Commitments shall have been terminated upon the funding of the Loans on the Effective Date (or otherwise), the Outstanding Loans of all Lenders at such time.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Responsible Officer**” of the Borrower means any of (a) the President, the chief financial officer, the chief accounting officer and the Treasurer of the Borrower and (b) any other officer of the Borrower whose responsibilities include monitoring compliance with this Agreement.

“**S&P**” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

“**Sanctioned Country**” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, the Kherson and Zaporizhzhia regions of Ukraine, Cuba, Iran, North Korea and Syria).

“**Sanctioned Person**” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, Her Majesty’s Treasury of the United Kingdom, the European Union or any EU member state, (b) any Person located, operating, organized or resident in a Sanctioned Country, (c) any Person controlled by any such Person or (d) any Person otherwise the subject of any Sanctions.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union Member State or Her Majesty’s Treasury of the United Kingdom.

“**Screen**” has the meaning provided in the definition of Term SOFR Screen Rate.

“**SOFR**” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website.

“**SOFR Adjustment**” means 0.10%.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**Subsidiary**” means, with respect to any Person, any corporation or other entity of which at least a majority of the outstanding shares of stock or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the Board of Directors of such corporation or other entity (irrespective of whether or not at the time stock or other equity interests of any other class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more of the Subsidiaries of such Person.

“**Substantial Subsidiaries**” has the meaning set forth in [Section 8.01](#).

“**Taxes**” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, penalties and additions to tax imposed thereon or in connection therewith.

“**Term Benchmark**” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Screen Rate.

“**Term SOFR**” means the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR.

“**Term SOFR Administrator**” means CME Group Benchmark Administration Ltd. (or a successor administrator of Term SOFR).

“**Term SOFR Administrator’s Website**” means <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr>, or any successor source for Term SOFR identified as such by the Term SOFR Administrator from time to time.

“**Term SOFR Rate**” means, for the relevant Interest Period, the sum of (a) the Adjusted Term SOFR Screen Rate applicable to such Interest Period, plus (b) the Applicable Rate.

“**Term SOFR Screen Rate**” means, for the relevant Interest Period, the Term SOFR rate quoted by the Administrative Agent from the Term SOFR Administrator’s Website or the applicable Bloomberg screen (or other commercially available source providing such quotations as may be selected by the Administrative Agent from time to time) (the “**Screen**”) for such Interest Period, which shall be the Term SOFR rate published two Business Days before the first day of such Interest Period (such Business Day, the “**Determination Date**”). If as of 5:00 p.m. (New York time) on any Determination Date, the Term SOFR rate has not been published by the Term SOFR Administrator or on the Screen, then the rate used will be that as published by the Term SOFR Administrator or on the Screen for the first preceding Business Day for which such rate was published on such Screen so long as such first preceding Business Day is not more than three (3) Business Days prior to such Determination Date.

“**Termination Date**” means the earlier of (a) November 7, 2024, and (b) the date upon which (i) all Commitments are terminated if not previously expired and (ii) amounts payable under this Agreement are accelerated pursuant to Section 8.01 or otherwise.

“**Transactions**” means the execution, delivery and performance by the Borrower of this Agreement and the other Credit Documents and the Borrowing of Loans hereunder.

“**Type**”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Screen Rate or the Alternate Base Rate.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**U.S. Person**” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“**U.S. Tax Compliance Certificate**” has the meaning specified in Section 2.17(e).

“**Utility Subsidiary**” means a Subsidiary of the Borrower that is subject to regulation by a Governmental Authority (federal, state or otherwise) having authority to regulate utilities, and any Wholly-Owned Subsidiary thereof.

“**Wholly-Owned Subsidiary**” means, with respect to any Person, any corporation or other entity of which all of the outstanding shares of stock or other ownership interests in which, other than directors’ qualifying shares (or the equivalent thereof), are at the time directly or indirectly owned or controlled by such Person or one or more of the Subsidiaries of such Person.

“**Withdrawal Liability**” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Sections 4201, 4203 and 4205 of ERISA.

“**Withholding Agent**” means the Borrower and the Administrative Agent.

“**Write-Down and Conversion Powers**” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “**Term Benchmark Loan**”). Borrowings also may be classified and referred to by Type (e.g., a “**Term Benchmark Borrowing**”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “or” shall not be exclusive. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all

statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The terms "knowledge of", "awareness of" and "receipt of notice of" in relation to the Borrower, and other similar expressions, mean knowledge of, awareness of, or receipt of notice by, a Responsible Officer of the Borrower.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Financial Accounting Standards Board Staff Position APB 14-1 to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

SECTION 1.05. [Reserved].

SECTION 1.06. Term SOFR Notification.

The interest rate on Term Benchmark Borrowings is determined by reference to the Adjusted Term SOFR Screen Rate, which is derived from Term SOFR. Section 2.14(b) provides a mechanism for (a) determining an alternative rate of interest if Term SOFR is no longer available or in the other circumstances set forth in Section 2.14(b), and (b) modifying this Agreement to give effect to such alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to Term SOFR or other rates in the definition of Term SOFR Rate or with respect to any alternative or successor rate thereto, or replacement rate thereof (including any Benchmark Replacement), including without limitation, whether any such alternative, successor or replacement reference rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.14(b), will have the same value as, or be economically equivalent to, Term SOFR. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of Alternate Base Rate, Term SOFR, the Term SOFR Rate, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Alternate Base Rate, the Term SOFR Rate, Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

**ARTICLE II
THE CREDITS**

SECTION 2.01. Commitments.

- (a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make a term loan to the Borrower in Dollars in a single drawing on the Effective Date, in an aggregate principal amount not to exceed such Lender's Commitment. Additional term loans requested in connection with additional Commitments provided under Section 2.08 shall be made in accordance with the terms of any such Commitments as agreed by the Administrative Agent, the Borrower, and the applicable Increasing Lenders and/or Augmenting Lenders.
- (b) Amounts repaid or prepaid in respect of the Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings; Request for Borrowings.

- (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.
- (b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Term Benchmark Loans or some combination thereof as the Borrower may request in accordance herewith. Each Lender at its option may make any Term Benchmark Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.
- (c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$5,000,000 and not less than \$10,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten Term Benchmark Borrowings outstanding under this Agreement.
- (d) To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by email (i) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m., New York City time three Business Days before the date of the proposed Borrowing; or (ii) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of the proposed Borrowing. Each such email Borrowing Request shall be irrevocable and shall be confirmed promptly by email, hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in substantially the form of Exhibit C (or such other form as shall be approved by the Administrative Agent) signed by an Authorized Officer of the Borrower. Each such email and written Borrowing Request shall specify the following information:
- (i) the aggregate amount of the requested Borrowing;
 - (ii) the date of such Borrowing, which shall be a Business Day;
 - (iii) whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing and the aggregate amount of each Type of Borrowing (if applicable); and
 - (iv) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "**Interest Period**".

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's

duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Termination Date.

SECTION 2.03. [Reserved].

SECTION 2.04. [Reserved].

SECTION 2.05. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Term Benchmark Borrowings, by 1:00 p.m., New York City time and (ii) in the case of ABR Borrowings, by 3:00 p.m., New York City time, in each case to the account of the Administrative Agent designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account identified by the Borrower in writing in connection with the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the Federal Funds Effective Rate or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.06. Interest Elections.

(a) Each Borrowing initially shall be of the Type or Types specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by the time that a Borrowing Request would be required under Section 2.02 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

- (i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions of such Borrowing, the portions thereof to be allocated to each resulting Type of Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);
- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
- (iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and
- (iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "*Interest Period*".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Type of Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be deemed to have an Interest Period that is one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, each Term Benchmark Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.07. Termination of Commitments.

Unless previously terminated, the Commitments shall automatically and permanently terminate and be reduced to zero concurrently with the funding of the Loans on the Effective Date (or the applicable funding date of any Loans committed to pursuant to Section 2.08).

SECTION 2.08. Expansion Option.

The Borrower may from time to time elect to obtain additional Commitments to make incremental Loans hereunder in an initial minimum amount of \$50,000,000 and increments of \$1,000,000 in excess thereof, so long as, after giving effect thereto, the aggregate amount of such additional Commitments does not exceed \$750,000,000. The Borrower may arrange for any such additional Commitments to be provided by one or more Lenders (each Lender so agreeing to an additional Commitment, an “**Increasing Lender**”), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an “**Augmenting Lender**”; provided that no Ineligible Institution may be an Augmenting Lender), which agree to provide new Commitments; provided that (i) each Increasing Lender and each Augmenting Lender shall be subject to the approval of the Borrower and the Administrative Agent and (ii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit D hereto, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit E hereto. No consent of any Lender (other than the Lenders participating in the new Commitments) shall be required for any additional Commitments pursuant to this Section 2.08. New Commitments created pursuant to this Section 2.08 shall become effective, and such additional Loans pursuant to such Commitments shall be made, on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no additional Commitments shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase, (A) the conditions set forth in Section 3.02 shall be satisfied or waived by the Required Lenders, each Increasing Lender and each Augmenting Lender and the Administrative Agent shall have received a certificate to that effect dated such date and executed by an Authorized Officer of the Borrower and (B) the Borrower shall be in compliance (on a pro forma basis) with the covenant contained in Article VII and (ii) the Administrative Agent shall have received documents and opinions consistent with those delivered on the Effective Date as to the organizational power and authority of the Borrower to borrow hereunder after giving effect to such increase. For the avoidance of doubt, any Loans incurred in connection with additional Commitments under this Section 2.08 shall rank pari passu in right of payment and shall have identical terms and conditions as applicable to the existing Loans (including with respect to maturity and pricing). Nothing contained in this Section 2.08 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to provide any additional Commitment hereunder at any time. In connection with any additional Commitments pursuant to this Section 2.08, any Augmenting Lender becoming a party hereto shall (1) execute such documents and agreements as the Administrative Agent may reasonably request and (2) in the case of any Augmenting Lender that is organized under the laws of a jurisdiction outside of the United States of America, provide to the Administrative Agent its name, address, tax identification number and/or such other information as shall be necessary for the Administrative Agent to comply with “know your customer” and anti-money laundering rules and regulations, including without limitation, the Patriot Act.

SECTION 2.09. [Reserved].

SECTION 2.10. Repayment of Loans; Evidence of Debt.

- (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Termination Date.
- (b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.
- (c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.
- (d) The Register and the corresponding entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.
- (e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in substantially the form of Exhibit F. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to the payee named therein and its registered assigns.

SECTION 2.11. Optional Prepayment of Loans.

- (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.
- (b) The Borrower shall notify the Administrative Agent by telecopy or email of any prepayment hereunder (i) in the case of prepayment of a Term Benchmark Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of prepayment delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be

revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Each such notice of prepayment shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a prepayment notice in substantially the form of Exhibit H (or such other form as shall be approved by the Administrative Agent) and signed by the Borrower. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, it being understood that the foregoing minimum shall not apply to the prepayment in whole of the outstanding Loans of all Lenders. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13 and by any amounts payable under Section 2.16 in connection with such prepayment.

SECTION 2.12. Fees.

- (a) *[Reserved]*.
- (b) *[Reserved]*.
- (c) The Borrower agrees to pay to the Administrative Agent and the Arranger, in each case, for its own account and for the account of the other Persons entitled thereto, the fees provided for in the applicable fee letter dated November 9, 2023, executed and delivered with respect to the credit facility provided for herein, in each case, in the amounts and at the times set forth therein and in immediately available funds.
- (d) All fees payable hereunder shall be paid in immediately available funds. Fees due and paid shall not be refundable under any circumstances.

SECTION 2.13. Interest.

- (a) The Loans comprising each ABR Borrowing shall bear interest at a rate *per annum* equal to the Base Rate.
- (b) The Loans comprising each Term Benchmark Borrowing shall bear interest at a rate *per annum* equal to the Term SOFR Rate.
- (c) *[Reserved]*.
- (d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate *per annum* equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided above.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; *provided* that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). A determination of the applicable Alternate Base Rate or Term SOFR Screen Rate, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Availability of Types of Borrowings; Adequacy of Interest Rate; Benchmark Replacement.

(a) Availability of Term Benchmark Borrowings. Notwithstanding anything to the contrary in this Agreement or any other Credit Document, but subject to Section 2.14(b), if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders notify the Administrative Agent that the Required Lenders have determined, that:

- (i) for any reason in connection with any request for a Term Benchmark Borrowing or a conversion or continuation thereof that the Adjusted Term SOFR Screen Rate for any requested Interest Period with respect to a proposed Term Benchmark Borrowing does not adequately and fairly reflect the cost to such Lenders of the funding such Loans, or
- (ii) the interest rate applicable to Term Benchmark Borrowings for any requested Interest Period is not ascertainable or available (including, without limitation, because the applicable Screen (or on any successor or substitute page on such screen) is unavailable) and such inability to ascertain or unavailability is not expected to be permanent;

then the Administrative Agent shall suspend the availability of Term Benchmark Borrowings and require any affected Term Benchmark Borrowings to be repaid or converted (at Borrower's election) to ABR Borrowings at the end of the applicable Interest Period.

(b) Benchmark Replacement.

- (i) Benchmark Transition Event; Early Opt-in Election. Notwithstanding anything to the contrary herein or in any other Credit Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other

party to, this Agreement or any other Credit Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth Business Day after the date notice of such Benchmark Replacement is provided by the Administrative Agent to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(ii) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders in writing of (A) any occurrence of a Benchmark Transition Event, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Benchmark Replacement Conforming Changes, (D) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (iv) below and (E) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 2.14(b).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Screen Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove any tenor of such Benchmark that is unavailable or non-representative for any Benchmark settings and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or

information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon notice to the Borrower by the Administrative Agent in accordance with Section 11.01 of the commencement of a Benchmark Unavailability Period and until a Benchmark Replacement is determined in accordance with this Section 2.14(b), the Borrower may revoke any request for a Term Benchmark Borrowing, or any request for the conversion or continuation of a Term Benchmark Borrowing to be made, converted or continued during any Benchmark Unavailability Period at the end of the applicable Interest Period, and, failing that, the Borrower will be deemed to have converted any such request at the end of the applicable Interest Period into a request for a ABR Borrowing or conversion to a ABR Borrowing. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate

SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender;
- (ii) impose on any Lender or the applicable offshore interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation therein; or
- (iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such other Recipient of participating in or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.15 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.15 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.15 for any increased costs or reductions incurred more than ninety days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ninety-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional prepayment of Loans), (b) a Term Benchmark Borrowing is not made on the date specified by the Borrower for any reason other than default by the Lenders, (c) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (d) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.11(b) and is revoked in accordance therewith) or (e) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(d), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event, including any loss, cost or expense arising from the liquidation or redeployment of funds or from any fees payable. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17. Taxes.

- (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then (i) the applicable Withholding Agent shall be entitled to make such deduction or withholding and timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law, and (ii) if such Tax is an Indemnified Tax, then the amount payable shall be increased as necessary so that after making all required deductions or withholding (including deductions and withholdings of Indemnified Taxes applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deductions or withholdings been made.
- (b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.
- (c) The Borrower shall indemnify each Recipient, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender (with a copy to the Administrative Agent) shall be conclusive absent manifest error.
- (d) As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.
- (e)
- (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup

withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(e)(ii)(A) and (ii)(B) and Section 2.17(f) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if

the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner; and

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) If a payment made to a Lender under any Credit Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by applicable law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.17(f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.17(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will the indemnified party be required to pay any

amount to an indemnifying party pursuant to this Section 2.17(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (h).

(i) Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

(j) For purposes of this Section 2.17, the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-Offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or under Section 2.15, 2.16, 2.17 or 11.03, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its office listed in Section 11.01(b), except that payments pursuant to Sections 2.15, 2.16, 2.17 and 11.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Obligations owing to it resulting in such Lender receiving payment of a greater proportion of the aggregate amount of such Obligations and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of, or other Obligations owing to, other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans or other Obligations, as applicable; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any other Subsidiary or Affiliate of the Borrower (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(b) or 2.18(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(f) None of the funds or assets of the Borrower that are used to pay any amount due pursuant to this Agreement shall constitute funds obtained from transactions with or relating to Anti-Corruption Laws or Sanctions.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

- (a) Any Lender claiming reimbursement or compensation from the Borrower under either of Sections 2.15 and 2.17 for any losses, costs or other liabilities shall use reasonable efforts (including, without limitation, reasonable efforts to designate a different lending office of such Lender for funding or booking its Loans or to assign its rights and obligations hereunder to another of its offices, branches or affiliates) to mitigate the amount of such losses, costs and other liabilities, if such efforts can be made and such mitigation can be accomplished without such Lender suffering (i) any economic disadvantage for which such Lender does not receive full indemnity from the Borrower under this Agreement or (ii) otherwise be disadvantageous to such Lender.
- (b) In determining the amount of any claim for reimbursement or compensation under Sections 2.15 and 2.17, each Lender will use reasonable methods of calculation consistent with such methods customarily employed by such Lender in similar situations.
- (c) Each Lender will notify the Borrower either directly or through the Administrative Agent of any event giving rise to a claim under Section 2.15 or Section 2.17 promptly after the occurrence thereof which notice shall be accompanied by a certificate of such Lender setting forth in reasonable detail the circumstances of such claim.
- (d) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.04, provided that the Administrative Agent may, in its sole discretion, elect to waive the \$3,500 processing and recordation fee in connection therewith), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Borrower shall have received the prior written consent of the Administrative Agent which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments, (iv) such assignment does not conflict with applicable law and (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each party hereto agrees that (a) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by

reference pursuant to an Electronic System as to which the Administrative Agent and such parties are participants), and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof, provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.20. Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then for so long as such Lender is a Defaulting Lender, the Commitment and the Outstanding Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 11.02); provided, that this Section 2.20 shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby.

SECTION 2.21. Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, or fund Loans whose interest is determined by reference to Term SOFR, or to determine or charge interest rates based upon Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a) any obligation of such Lender to make or continue Term Benchmark Borrowings or to convert ABR Borrowings to Term Benchmark Borrowings shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining ABR Borrowings the interest rate on which is determined by reference to the Adjusted Term SOFR Screen Rate component of the Alternate Base Rate, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted Term SOFR Screen Rate component of the Alternate Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, if necessary to avoid such illegality, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert each Term Benchmark Loan of such Lender to an ABR Loan (the interest rate on which ABR Loan shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted Term SOFR Screen Rate component of the Alternate Base Rate), either on the last day of the Interest Period therefor, if such Lender can lawfully continue to maintain such Term Benchmark Loan to such day, or immediately, if such Lender cannot lawfully continue to maintain such Term Benchmark Loan, and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon Term SOFR, the Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such Lender without reference to the Adjusted Term SOFR Screen Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon Term SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.16.

**ARTICLE III
CONDITIONS**

SECTION 3.01. Conditions Precedent to the Effectiveness of this Agreement and the Loans. This Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 11.02).

- (a) The Administrative Agent (or its counsel) shall have received from each party thereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.
- (b) The Lenders, the Administrative Agent, the Arranger and each other Person entitled to the payment of fees or the reimbursement or payment of expenses, pursuant hereto or to that certain fee letter dated November 9, 2023, executed and delivered with respect to the term loan facility provided for herein, shall have received all fees required to be paid by the Effective Date, and all expenses for which invoices have been presented on or before the Effective Date.
- (c) The Administrative Agent shall have received certified copies of the resolutions of the Board of Directors of the Borrower approving this Agreement, and of all documents evidencing other necessary corporate action and governmental and regulatory approvals with respect to this Agreement.
- (d) The Administrative Agent shall have received from the Borrower, to the extent generally available in the relevant jurisdiction, a copy of a certificate or certificates of the Secretary of State (or other appropriate public official) of the jurisdiction of its incorporation, dated reasonably near the Effective Date, (i) listing the charter of the Borrower and each amendment thereto on file in such office and certifying that such amendments are the only amendments to the Borrower's charter on file in such office, and (ii) stating that the Borrower is duly incorporated and in good standing under the laws of the jurisdiction of its place of incorporation.
- (e) (i) The Administrative Agent shall have received a certificate or certificates of the Borrower, signed on behalf of the Borrower by a Secretary, an Assistant Secretary or a Responsible Officer thereof, dated the Effective Date, certifying as to (A) the absence of any amendments to the charter of the Borrower since the date of the certificates referred to in paragraph (d) above, (B) a true and correct copy of the bylaws of the Borrower as in effect on the Effective Date, (C) the absence of any proceeding for the dissolution or liquidation of the Borrower, (D) the truth, in all material respects (provided, that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by "materiality," "Material Adverse Effect" or similar language in the text thereof), of the representations and warranties contained in the Credit Documents to which the Borrower is a party, as the case may be, as though made on and as of the Effective Date, and (E) the absence, as of the Effective Date and after giving effect to the funding of the Loans, of any Default or Event of Default; and (ii) each of such certifications shall be true.

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- (f) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign, and signing, this Agreement and the other Credit Documents to be delivered hereunder on or before the Effective Date.
- (g) The Administrative Agent shall have received from McGuireWoods LLP, counsel for the Borrower, a favorable opinion, substantially in the form of Exhibit B hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.
- (h) The Administrative Agent and the Lenders shall have received, at least ten Business Days prior to the Effective Date (or such later date approved by the Administrative Agent) all documentation and other information that is required by the regulatory authorities under the applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the Act.
- (i) The Administrative Agent shall have received a promissory note for each Lender that shall have requested one, duly executed by the Borrower.
- (j) To the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Borrower shall have delivered, at least five days prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower, to each Lender who requests the same in writing at least ten days prior to the Effective Date.
- (k) The Administrative Agent shall have timely received a Borrowing Request.

SECTION 3.02. Conditions Precedent to Each Extension of Credit. The obligation of each Lender to make any Extension of Credit (including the initial Extension of Credit but excluding any conversion or continuation of any Loan), and any increase in Commitments pursuant to Section 2.08 shall be subject to the satisfaction (or waiver in accordance with Section 11.02) of each of the following conditions:

- (a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects on and as of the date of each Extension of Credit and the date of any such increase in Commitments pursuant to Section 2.08, except to the extent that such representations and warranties are specifically limited to a prior date, in which case such representations and warranties shall be true and correct in all material respects on and as of such prior date provided, that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by “materiality,” “Material Adverse Effect” or similar language in the text thereof.
- (b) Such Extension of Credit will comply with all other applicable requirements of Article II, including, without limitation Sections 2.01 and 2.02, as applicable.

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- (c) At the time of and immediately after giving effect to such Extension of Credit, no Default or Event of Default shall have occurred and be continuing or would result from such Extension of Credit or from the application of the proceeds thereof.
 - (d) At the time of and immediately after giving effect to any increase in Commitments pursuant to Section 2.08 no Default or Event of Default shall have occurred and be continuing or would result therefrom.
 - (e) The Administrative Agent shall have timely received a Borrowing Request.

Each Extension of Credit and the acceptance by the Borrower of the benefits thereof shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b) and (c).

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

- (a) The Borrower is a corporation duly organized, validly existing, in good standing, and authorized to transact business under the laws of the State of its incorporation.
- (b) The execution, delivery and performance by the Borrower of the Credit Documents to which it is a party (i) are within the Borrower's corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not contravene (A) the Borrower's charter or by-laws, as the case may be, or (B) any law, rule or regulation, or any material Contractual Obligation or legal restriction, binding on or affecting the Borrower or any Material Subsidiary, as the case may be, and (iv) do not require the creation of any Lien on the property of the Borrower or any Material Subsidiary under any Contractual Obligation binding on or affecting the Borrower or any Material Subsidiary.
- (c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery and performance by the Borrower of this Agreement or any other Credit Document to which any of them is a party, except for such as (i) have been obtained or made and that are in full force and effect or (ii) are not presently required under applicable law and have not yet been applied for.
- (d) Each Credit Document to which the Borrower is a party is a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.
- (e) The Referenced Annual Financial Statements, copies of which have been made available or furnished to each Lender, fairly present the financial condition of the Borrower and its Subsidiaries as at the date thereof and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, all in accordance with GAAP consistently applied.

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- (f) The Referenced Quarterly Financial Statements, copies of which have been made available or furnished to each Lender, fairly present (subject to year-end audit adjustments) the financial condition of the Borrower and its Subsidiaries as at the date thereof and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, all in accordance with GAAP consistently applied.
- (g) Since December 31, 2022, there has been no material adverse change in such condition or operations, or in the business, assets, operations, condition (financial or otherwise) or prospects of the Borrower.
- (h) There is no pending or threatened action, proceeding or investigation affecting the Borrower before any court, governmental agency or other Governmental Authority or arbitrator that (taking into account the exhaustion of appeals) would have a Material Adverse Effect, or that (i) purports to affect the legality, validity or enforceability of this Agreement or any promissory notes executed pursuant hereto, or (ii) seeks to prohibit the ownership or operation, by the Borrower or any of its Material Subsidiaries, of all or a material portion of their respective businesses or assets.
- (i) The Borrower and its Subsidiaries, taken as a whole, do not hold or carry Margin Stock having an aggregate value in excess of 10% of the value of their consolidated assets, and no part of the proceeds of any Loan hereunder will be used to buy or carry any Margin Stock.
- (j) No ERISA Event has occurred, or is reasonably expected to occur, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect.
- (k) Schedule SB (Actuarial Information) to the 2022 Annual report (Form 5500 Series) for each Plan, copies of which have been filed with the Internal Revenue Service and made available or furnished to each Lender, is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule SB there has been no adverse change in such funding status which may reasonably be expected to have a Material Adverse Effect.
- (l) Neither the Borrower nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan which may reasonably be expected to have a Material Adverse Effect.
- (m) Neither the Borrower nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan is reasonably expected to be terminated, within the meaning of Title IV of ERISA, in either such case, that could reasonably be expected to have a Material Adverse Effect.
- (n) The Borrower is not an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

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- (o) The Borrower has filed all federal, state and other material income tax returns required to be filed by it and has paid or caused to be paid all taxes due for the periods covered thereby, including interest and penalties, except for any such taxes, interest or penalties which are being contested in good faith and by proper proceedings and in respect of which the Borrower has set aside adequate reserves for the payment thereof in accordance with GAAP.
- (p) The Borrower and its Subsidiaries are and have been in compliance with all laws (including, without limitation, all Environmental Laws), except to the extent that any failure to be in compliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.
- (q) No Subsidiary of the Borrower is party to, or otherwise bound by, any agreement that prohibits such Subsidiary from making any payments, directly or indirectly, to the Borrower, by way of dividends, advances, repayment of loans or advances, reimbursements of management or other intercompany charges, expenses and accruals or other returns on investment, or any other agreement that restricts the ability of such Subsidiary to make any payment, directly or indirectly, to the Borrower, other than prohibitions and restrictions permitted to exist under Section 6.01(e).
- (r) The information, exhibits and reports furnished by the Borrower or any of its Subsidiaries to the Administrative Agent or to any Lender in connection with the negotiation of, or compliance with, the Credit Documents, taken as a whole, do not contain any material misstatement of fact and do not omit to state a material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances made.
- (s) The Borrower and its Subsidiaries have implemented and maintain in effect policies and procedures reasonably designed to ensure compliance by the Borrower and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower and its Subsidiaries and their respective officers and employees and, to the knowledge of the Borrower and its Subsidiaries, its respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower or its Subsidiaries or, to the knowledge of the Borrower or its Subsidiaries, any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any of its Subsidiaries which agent will act in any capacity in connection with or benefit from the term loan facility established hereby, is a Sanctioned Person. No Borrowing, use of proceeds hereunder or other Transactions will violate Anti-Corruption Laws or applicable Sanctions.
- (t) The Borrower is not an Affected Financial Institution.
- (u) The information included in each Beneficial Ownership Certification is true and correct in all respects.
- (v) None of the Borrower or any of its Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions hereunder, including the making of any Loan hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

ARTICLE V
AFFIRMATIVE COVENANTS

SECTION 5.01. Affirmative Covenants. So long as any Lender shall have any Commitment hereunder or any principal of any Loan, interest or fees payable hereunder shall remain unpaid, the Borrower will, unless the Required Lenders shall otherwise consent in writing:

- (a) **Compliance with Laws, Etc.** (i) Comply, and cause each of its Subsidiaries to comply, in all material respects with all applicable laws, rules, regulations and orders (including, without limitation, any of the foregoing relating to employee health and safety or public utilities and all Environmental Laws), unless the failure to so comply could not reasonably be expected to have a Material Adverse Effect and (ii) maintain in effect and enforce policies and procedures reasonably designed to ensure compliance by the Borrower and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.
- (b) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Material Subsidiary to maintain and preserve, all of its material properties which are used in the conduct of its business in good working order and condition, ordinary wear and tear excepted, if the failure to do so could reasonably be expected to have a Material Adverse Effect.
- (c) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) except to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect, all taxes, assessments and governmental charges or levies imposed upon it or upon its property, and (ii) all legal claims which, if unpaid, might by law become a lien upon its property; *provided, however,* that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim which is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained.
- (d) **Maintenance of Insurance.** Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually obtained by companies engaged in similar businesses of comparable size and financial strength and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates, or, to the extent the Borrower or Subsidiary deems it reasonably prudent to do so, through its own program of self-insurance.
- (e) **Preservation of Corporate Existence, Etc.** Preserve and maintain, and cause each Material Subsidiary to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises, except as otherwise permitted under this Agreement; *provided that* no such Person shall be required to preserve any right or franchise with respect to which the Board of Directors of such Person has determined that the preservation thereof is no longer desirable in the conduct of the business of such Person and that the loss thereof is not disadvantageous in any material respect to the Borrower or the Lenders.
- (f) **Visitation Rights.** At any reasonable time and from time to time, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof, on not less than five Business Days' notice (which notice shall be required only so long as no Default shall be occurred and be

continuing), to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower or any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with any of their respective officers and with their independent certified public accountants; subject, however, in all cases to the imposition of such conditions as the Borrower or Subsidiary shall deem necessary based on reasonable considerations of safety and security and provided that so long as no Default or Event of Default shall have occurred and be continuing, each Lender will be limited to one visit each year.

(g) **Keeping of Books.** (i) Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all material financial transactions and the assets and business of the Borrower and its Subsidiaries, and (ii) maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied.

(h) **Reporting Requirements.** Deliver to the Administrative Agent for distribution to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower (or, if earlier, concurrently with the filing thereof with the Securities and Exchange Commission or any national securities exchange in accordance with applicable law or regulation), commencing with the fiscal quarter ending March 31, 2024, balance sheets and cash flow statements of the Borrower and its Consolidated Subsidiaries in comparative form as of the end of such quarter and statements of income, statements of common shareholders' equity of the Borrower and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year of the Borrower and ending with the end of such quarter, each prepared in accordance with generally accepted accounting principles consistently applied, subject to normal year-end audit adjustments, certified by the chief financial officer of the Borrower.

(ii) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower (or, if earlier, concurrently with the filing thereof with the Securities and Exchange Commission or any national securities exchange in accordance with applicable law or regulation), commencing with the fiscal year ended December 31, 2023, a copy of the audit report for such year for the Borrower and its Consolidated Subsidiaries containing balance sheets and cash flow statements of the Borrower and its Consolidated Subsidiaries and statements of income, statements of common shareholders' equity of the Borrower and its Consolidated Subsidiaries for such year prepared in accordance with generally accepted accounting principles consistently applied as reported on by independent certified public accountants of recognized national standing acceptable to the Required Lenders, which audit was conducted by such accounting firm in accordance with generally accepted auditing standards;

(iii) concurrently with the delivery of financial statements pursuant to clauses (i) and (ii) above or the notice relating thereto contemplated by the final sentence of this Section 5.01(h), a certificate of a senior financial officer of the Borrower (A) to the effect

that no Default or Event of Default has occurred and is continuing (or, if any Default or Event of Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Borrower has taken and proposes to take with respect thereto), and (B) setting forth calculations, in reasonable detail, establishing the Borrower's compliance (the first test period for the delivery of such certificate to be for the period ended December 31, 2023), as at the end of such fiscal quarter, with the financial covenant contained in Article VII;

(iv) as soon as possible and in any event within five days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken and proposes to take with respect thereto;

(v) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to its stockholders, and copies of all reports and registration statements (other than registration statements filed on Form S-8) that the Borrower or any Subsidiary of the Borrower files with the Securities and Exchange Commission;

(vi) promptly and in any event within 10 days after the Borrower knows or has reason to know that any material ERISA Event has occurred, a statement of the chief financial officer of the Borrower describing such ERISA Event and the action, if any, which the Borrower or any affected ERISA Affiliate proposes to take with respect thereto;

(vii) promptly and in any event within two Business Days after receipt thereof by the Borrower (or knowledge being obtained by the Borrower of the receipt thereof by any ERISA Affiliate), copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(viii) promptly and in any event within five Business Days after receipt thereof by the Borrower (or knowledge being obtained by the Borrower of the receipt thereof by any ERISA Affiliate) from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower or any ERISA Affiliate concerning (A) the imposition on the Borrower or any ERISA Affiliate of material Withdrawal Liability by a Multiemployer Plan, (B) the termination, within the meaning of Title IV of ERISA, of any Multiemployer Plan or (C) the amount of liability incurred, or which may be incurred, by the Borrower or any ERISA Affiliate in connection with any event described in clause (A) or (B) above;

(ix) promptly after the Borrower has knowledge of the commencement thereof, notice of any actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any Material Subsidiary of the type described in Section 4.01(h);

(x) promptly after the Borrower knows of any change in the rating of the Index Debt by S&P or Moody's, a notice of such changed rating;

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- (xi) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification; and
- (xii) (1) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request and (2) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” requirements under the Act or other applicable anti-money laundering laws.

Notwithstanding the foregoing, the Borrower’s obligations to deliver the documents or information required under any of clauses (i), (ii) and (v) above shall be deemed to be satisfied upon (x) the relevant documents or information being publicly available on the Borrower’s website or other publicly available electronic medium (such as EDGAR) within the time period required by such clause, and (y) the delivery by the Borrower of notice to the Administrative Agent for distribution to the Lenders, within the time period required by such clause, that such documents or information are so available.

- (i) **Use of Proceeds.** Use the proceeds of the Loans hereunder for working capital and other general corporate purposes; and not request any Extension of Credit, nor use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Extension of Credit directly or indirectly (i) for the purpose of funding, financing or facilitating any acquisition for which the Board of Directors of the Person to be acquired (or whose assets are to be acquired) shall have indicated publicly its opposition to the consummation of such acquisition (which opposition has not been publicly withdrawn), (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (iii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iv) in any manner that would result in the violation of any Sanctions applicable to any Person participating in the Loans, whether as Administrative Agent, an Arranger, a Lender, underwriter, advisor, investor or otherwise.
- (j) **Ratings.** At all times maintain ratings by both Moody’s and S&P with respect to the Index Debt.

ARTICLE VI NEGATIVE COVENANTS

SECTION 6.01. Negative Covenants. So long as any Lender shall have any Commitment hereunder or any principal of any Loan, interest or fees payable hereunder shall remain unpaid, the Borrower will not, without the written consent of the Required Lenders:

- (a) **Limitation on Liens.** Create or suffer to exist, or permit any of its Subsidiaries (other than a Utility Subsidiary) to create or suffer to exist, any lien, security interest, or other charge or encumbrance (collectively, “*Liens*”) upon or with respect to any of its properties, whether now owned or hereafter acquired, or collaterally assign for security purposes, or permit any of its

Subsidiaries (other than a Utility Subsidiary) to so assign any right to receive income in each case to secure or provide for or guarantee the payment of Debt for Borrowed Money of any Person, without in any such case effectively securing, prior to or concurrently with the creation, issuance, assumption or guaranty of any such Debt for Borrowed Money, the Obligations (together with, if the Borrower shall so determine, any other Debt for Borrowed Money of or guaranteed by the Borrower or any of its Subsidiaries ranking equally with the Loans and then existing or thereafter created) equally and ratably with (or prior to) such Debt for Borrowed Money; *provided, however*, that the foregoing restrictions shall not apply to or prevent the creation or existence of:

- (i) (A) Liens on any property acquired, constructed or improved by the Borrower or any of its Subsidiaries (other than a Utility Subsidiary) after the date of this Agreement that are created or assumed prior to, contemporaneously with, or within 180 days after, such acquisition or completion of such construction or improvement, to secure or provide for the payment of all or any part of the purchase price of such property or the cost of such construction or improvement; or (B) in addition to Liens contemplated by clauses (ii) and (iii) below, Liens on any property existing at the time of acquisition thereof, provided that the Liens shall not apply to any property theretofore owned by the Borrower or any such Subsidiary other than, in the case of any such construction or improvement, (1) unimproved real property on which the property so constructed or the improvement is located, (2) other property (or improvements thereon) that is an improvement to or is acquired or constructed for specific use with such acquired or constructed property (or improvement thereof), and (3) any rights and interests (A) under any agreements or other documents relating to, or (B) appurtenant to, the property being so constructed or improved or such other property;
- (ii) existing Liens on any property or indebtedness of a corporation that is merged with or into or consolidated with the Borrower or any of its Subsidiaries; *provided* that such Lien was not created in contemplation of such merger or consolidation;
- (iii) Liens on any property or indebtedness of a corporation existing at the time such corporation becomes a Subsidiary of the Borrower; *provided* that such Lien was not created in contemplation of such occurrence;
- (iv) Liens to secure Debt for Borrowed Money of a Subsidiary of the Borrower to the Borrower or to another Subsidiary of the Borrower;
- (v) Liens in favor of the United States of America, any State, any foreign country or any department, agency or instrumentality or political subdivision of any such jurisdiction, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any Debt for Borrowed Money incurred for the purpose of financing all or any part of the purchase price of the cost of constructing or improving the property subject to such Liens, including, without limitation, Liens to secure Debt for Borrowed Money of the pollution control or industrial revenue bond type;
- (vi) Liens on any property (including any natural gas, oil or other mineral property) to secure all or part of the cost of exploration, drilling or development thereof or to secure Debt for Borrowed Money incurred to provide funds for any such purpose;

(vii) Liens existing on the date of this Agreement;

(viii) Liens for the sole purposes of extending, renewing or replacing in whole or in part Debt for Borrowed Money secured by any Lien referred to in the foregoing clauses (i) through (vii), inclusive, or this clause (viii); *provided, however*, that the principal amount of Debt for Borrowed Money secured thereby shall not exceed the principal amount of Debt for Borrowed Money so secured at the time of such extension, renewal or replacement (which, for purposes of this limitation as it applies to a synthetic lease, shall be deemed to be (x) the lessor's original cost of the property subject to such lease at the time of extension, renewal or replacement, *less* (y) the aggregate amount of all prior payments under such lease allocated pursuant to the terms of such lease to reduce the principal amount of the lessor's investment, and borrowings by the lessor, made to fund the original cost of the property), and that such extension, renewal or replacement shall be limited to all or a part of the property or indebtedness which secured the Lien so extended, renewed or replaced (plus improvements on such property);

(ix) Liens on any property or assets of a Project Financing Subsidiary, or on any Capital Stock in a Project Financing Subsidiary, in either such case, that secure only a Project Financing or a Contingent Guaranty that supports a Project Financing; or

(x) any Lien, other than a Lien described in any of the foregoing clauses (i) through (ix), inclusive, to the extent that it secures Debt for Borrowed Money, or guaranties thereof, the outstanding principal balance of which at the time of creation of such Lien, when added to the aggregate principal balance of all Debt for Borrowed Money secured by Liens incurred under this clause (x) then outstanding, does not exceed \$200,000,000.

If at any time the Borrower or any of its Subsidiaries shall create, issue, assume or guaranty any Debt for Borrowed Money secured by any Lien and the first paragraph of this Section 6.01(a) requires that the Loans be secured equally and ratably with such Debt for Borrowed Money, the Borrower shall promptly deliver to the Administrative Agent and each Lender:

(1) a certificate of a duly authorized officer of the Borrower stating that the covenant contained in the first paragraph of this Section 6.01(a) has been complied with; and

(2) an opinion of counsel acceptable to the Required Lenders to the effect that such covenant has been complied with and that all documents executed by the Borrower or any of its Subsidiaries in the performance of such covenant comply with the requirements of such covenant.

(b) **Mergers, Etc.** Merge or consolidate with or into, or consummate a Division as the Dividing Person, or reorganize in a jurisdiction outside the United States, or, except in a transaction permitted under paragraph (c) of this Section, convey, transfer, lease or otherwise Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person, or permit any of its Subsidiaries to do so, except that:

(i) any Subsidiary of the Borrower may merge or consolidate with or transfer assets to or acquire assets from any other Subsidiary of the Borrower, provided that in the case of any such merger, consolidation, or transfer of assets to which NIPSCO is a party, the Borrower shall own at least 70% of the Capital Stock of the continuing or surviving Person; and

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- (ii) any Subsidiary of the Borrower may merge into the Borrower or transfer assets to the Borrower;
- (iii) the Borrower or any Subsidiary of the Borrower may merge, or consolidate with or transfer all or substantially all of its assets to any other Person; provided that in each case under this clause (iii), immediately after giving effect thereto, (A) no Event of Default shall have occurred and be continuing (determined, for purposes of compliance with Article VII after giving effect to such transaction, on a pro forma basis as if such transaction had occurred on the last day of the Borrower's fiscal quarter then most recently ended); (B) in the case of any such merger, consolidation or transfer of assets to which the Borrower is a party, the Borrower shall be the continuing or surviving corporation; (C) in the case of any such merger, consolidation, or transfer of assets to which NIPSCO is a party, NIPSCO shall be the continuing or surviving Person and the Borrower shall own at least 70% of the Capital Stock of NIPSCO after giving effect thereto; and (D) the Index Debt shall be rated at least BBB- by S&P and at least Baa3 by Moody's.
- (c) **Sales, Etc. of Assets.** Sell, lease, transfer or otherwise Dispose of, or permit any of their respective Subsidiaries to sell, lease, transfer or otherwise Dispose of (other than in connection with a transaction authorized by paragraph (b) of this Section) any substantial part of its assets; *provided* that the foregoing shall not prohibit (i) the realization on a Lien permitted to exist under Section 6.01(a); or (ii) any such sale, conveyance, lease, transfer or other Disposition that (A) (1) is for a price not materially less than the fair market value of such assets, (2) would not materially impair the ability of the Borrower to perform its obligations under this Agreement and (3) together with all other such sales, conveyances, leases, transfers and other Dispositions, would have no Material Adverse Effect, or (B) would not result in the sale, lease, transfer or other Disposition, in the aggregate, of more than 15% of the consolidated total assets of the Borrower and its Subsidiaries, determined in accordance with GAAP, on December 31, 2022.
- (d) **Compliance with ERISA.** (i) Terminate, or permit any ERISA Affiliate to terminate, any Plan so as to result in a Material Adverse Effect or (ii) permit to exist any occurrence of any Reportable Event (as defined in Title IV of ERISA), or any other event or condition, that presents a material (in the reasonable opinion of the Required Lenders) risk of such a termination by the PBGC of any Plan, if such termination could reasonably be expected to have a Material Adverse Effect.
- (e) **Certain Restrictions.** Permit any of its Subsidiaries to enter into or permit to exist any agreement that by its terms prohibits such Subsidiary from making any payments, directly or indirectly, to the Borrower by way of dividends, advances, repayment of loans or advances, reimbursements of management or other intercompany charges, expenses and accruals or other returns on investment, or any other agreement that restricts the ability of such Subsidiary to make any payment, directly or indirectly, to the Borrower; *provided* that the foregoing shall not apply to

prohibitions and restrictions (i) imposed by applicable law, (ii) (A) imposed under an agreement in existence on the date of this Agreement, and (B) described on Schedule 6.01(e), (iii) existing with respect to a Subsidiary on the date it becomes a Subsidiary that are not created in contemplation thereof (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such prohibition or restriction), (iv) contained in agreements relating to the sale of a Subsidiary pending such sale, *provided* that such prohibitions or restrictions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (v) imposed on a Project Financing Subsidiary in connection with a Project Financing, or (vi) that could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VII FINANCIAL COVENANT

So long as any Lender shall have any Commitment hereunder or any principal of any Loan, interest or fees payable hereunder shall remain unpaid, the Borrower shall maintain a Debt to Capitalization Ratio of not more than 0.70 to 1.00.

ARTICLE VIII EVENTS OF DEFAULT

SECTION 8.01. Events of Default. If any of the following events ("*Events of Default*") shall occur and be continuing:

- (a) The Borrower shall fail to pay any principal of any Loan when the same becomes due and payable or shall fail to pay any interest, fees or other amounts hereunder within three Business Days after when the same becomes due and payable; or
- (b) Any representation or warranty made by the Borrower in any Credit Document or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect (or any such representation or warranty that was otherwise qualified by materiality shall prove to have been false or misleading in any respect) when made; or
- (c) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(e), 5.01(f), 5.01(h)(other than clause (y) of the last paragraph thereof), 5.01(i), 6.01 or Article VII; or
- (d) The Borrower shall fail to perform or observe any term, covenant or agreement contained in any Credit Document on its part to be performed or observed (other than one identified in paragraph (a), (b) or (c) above) if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for thirty days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or
- (e) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Indebtedness (excluding Non-Recourse Debt) which is outstanding in a principal amount of at least \$75,000,000 in the aggregate (but excluding the Loans) of the Borrower or such Subsidiary, as the case may be, when the same becomes due and payable (whether by scheduled

maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the scheduled maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; provided that, with respect to any Permitted Convertible Indebtedness, this clause (e) shall not apply to (x) any event that permits holders of such Permitted Convertible Indebtedness to convert such Permitted Convertible Indebtedness or (y) the conversion of such Permitted Convertible Indebtedness, in either case, into common stock of the Borrower (or other securities or property following a merger event, reclassification or other change of the common stock of the Borrower), cash (including in lieu of fractional shares of common stock of the Borrower) or a combination thereof in accordance with the terms thereof; or

(f) The Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against the Borrower (but not instituted by the Borrower), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, the Borrower or for any substantial part of its property) shall occur; or the Borrower shall take any corporate action to authorize any of the actions set forth above in this paragraph (f); or

(g) One or more Subsidiaries of the Borrower in which the aggregate sum of (i) the amounts invested by the Borrower and its other Subsidiaries in the aggregate, by way of purchases of Capital Stock, Capital Leases, loans or otherwise, and (ii) the amount of recourse, whether contractual or as a matter of law (but excluding Non-Recourse Debt), available to creditors of such Subsidiary or Subsidiaries against the Borrower or any of its other Subsidiaries, is \$125,000,000 or more (collectively, "**Substantial Subsidiaries**") shall generally not pay their respective debts as such debts become due, or shall admit in writing their respective inability to pay their debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Substantial Subsidiaries seeking to adjudicate them bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of them or their respective debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for them or for any substantial part of their respective property and, in the case of any such proceeding instituted against Substantial Subsidiaries (but not instituted by the Borrower or any Subsidiary of the Borrower), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the

actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, the Substantial Subsidiaries or for any substantial part of their respective property) shall occur; or Substantial Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this paragraph (g); or

(h) Any judgment or order for the payment of money in excess of \$75,000,000 shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(i) Any ERISA Event shall have occurred with respect to a Plan and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent, (i) such ERISA Event shall still exist and (ii) the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or, in the case of a Plan with respect to which an ERISA Event described in clauses (c) through (e) of the definition of ERISA Event shall have occurred and then exist, the liability related thereto) is equal to or greater than \$15,000,000 (when aggregated with paragraphs (j), (k) and (l) of this Section 8.01), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(j) The Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount which, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Borrower and its ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds \$15,000,000 or requires payments exceeding \$15,000,000 per annum (in either case, when aggregated with paragraphs (i), (k) and (l) of this Section 8.01), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(k) The Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is being terminated, within the meaning of Title IV of ERISA, if as a result of such termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans which are being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the respective plan year of each such Multiemployer Plan immediately preceding the plan year in which the termination occurs by an amount exceeding \$15,000,000 (when aggregated with paragraphs (i), (j) and (l) of this Section 8.01), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(l) The Borrower or any ERISA Affiliate shall have committed a failure described in Section 303(k)(1) of ERISA and the amount determined under Section 303(k)(3) of ERISA is equal to or greater than \$15,000,000 (when aggregated with paragraphs (i), (j) and (k) of this Section 8.01), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(m) Any provision of the Credit Documents shall be held by a court of competent jurisdiction to be invalid or unenforceable against the Borrower, or the Borrower shall so assert in writing; or

(n) Any Change of Control shall occur;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Commitment of each Lender hereunder to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request or with the consent of the Required Lenders, by notice to the Borrower, declare all amounts payable under this Agreement to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided* that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (1) the Commitment of each Lender hereunder shall automatically be terminated and (2) all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 8.02. Application of Payment. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Administrative Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations shall, subject to Section 2.20, be applied by the Administrative Agent as follows:

- (i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts payable to the Administrative Agent (including fees and disbursements and other charges of counsel to the Administrative Agent payable under Section 11.03 and amounts pursuant to Section 2.12(c) payable to the Administrative Agent in its capacity as such);
- (ii) second, to payment of that portion of the Obligations constituting fees, expenses, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel to the Lenders payable under Section 11.03) arising under the Credit Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;
- (iii) third, to payment of that portion of interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;
- (iv) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and;
- (v) fifth, to the payment in full of all other Obligations, in each case ratably among the Administrative Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and
- (vi) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

ARTICLE IX
THE ADMINISTRATIVE AGENT

SECTION 9.01. The Administrative Agent.

- (a) Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.
- (b) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any of the Borrower's Subsidiaries or other Affiliates thereof as if it were not the Administrative Agent hereunder.
- (c) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (i) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (ii) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders, and (iii) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its other Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or, if applicable, all of the Lenders) or in the absence of its own gross negligence or willful misconduct as determined by in a final, non-appealable judgment by a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with this Agreement, (2) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (4) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (5) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and the conformity thereof to such express requirement.

(d) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower) independent accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(e) The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the term loan facility provided for herein as well as activities as Administrative Agent.

(f) Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (which consent shall not unreasonably be withheld), to appoint a successor, *provided* that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank, in any event having total assets in excess of \$500,000,000 and who shall serve until such time, if any, as such agent shall have been appointed as provided above. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 11.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

(g) Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

(h) No Lender identified on the signature pages of this Agreement as an “Arranger” or that is given any other title hereunder other than “Administrative Agent”, shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than as expressly set forth herein or those applicable to all Lenders as such. Without limiting the generality of the foregoing, no Lender so identified as an “Arranger” or that is given any other title hereunder, shall have, or be deemed to have, any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on the Lenders so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

(i) Notwithstanding anything to the contrary herein or in any other Credit Document, the authority to enforce rights and remedies hereunder and in the other Credit Documents against the Borrower shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.01 for the benefit of all the Lenders; *provided, however*, that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Credit Documents, (ii) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.18(c)) or (iii) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a Bankruptcy Event relative to the Borrower; and *provided, further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Credit Documents, then (A) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.01 and (B) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso and subject to Section 2.18(c), any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

(j) Each Lender acknowledges and agrees that the Extensions of Credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder and in deciding whether or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

SECTION 9.02. Acknowledgments of Lenders.

(a) Each Lender represents and warrants that (i) the Credit Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course of business and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender agrees not to assert a claim in contravention

of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, the Arranger, or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans is experienced in making, acquiring or holding such commercial loans. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Credit Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

(c) (i) If the Administrative Agent notifies a Lender or other holder of any Obligations (each, a “**Lender Party**”), or any Person who has received funds on behalf of a Lender Party (any such Lender Party or other recipient, a “**Payment Recipient**”), that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under Section 9.02(c)(ii)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously received by, such Payment Recipient (whether or not such error is known to any Payment Recipient) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Payment Recipient shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (i) shall be conclusive, absent manifest error.

(ii) Without limiting Section 9.02(c)(i), if any Payment Recipient receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its

Affiliates) that (x) is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) such Payment Recipient otherwise becomes aware was transmitted, or received, in error (in whole or in part):

(1) (A) in the case of immediately preceding clause (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) in the case of immediately preceding clause (z), an error has been made, in each case, with respect to such payment, prepayment or repayment; and

(2) such Payment Recipient shall promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.02(c)(ii).

(iii) Each Lender Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender Party from any source, against any amount due to the Administrative Agent under Section 9.02(c)(i) or under the indemnification provisions of this Agreement.

(iv) An Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations, except to the extent such Erroneous Payment comprises funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(v) To the extent permitted by applicable law, each Payment Recipient hereby agrees not to assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment, including without limitation any defense based on “discharge for value” or any similar doctrine, with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment.

(vi) Each party’s agreements under this Section 9.02(c) shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments, or the repayment, satisfaction or discharge of any or all Obligations.

ARTICLE X CERTAIN ERISA MATTERS

SECTION 10.01. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and

not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

- (i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,
- (iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or
- (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related hereto or thereto).

**ARTICLE XI
MISCELLANEOUS**

SECTION 11.01. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email, as follows:

(a) if to the Borrower, to it at:

290 West Nationwide Boulevard
Columbus, Ohio 43215
Attention: Vice President, Investor Relations and Treasurer
Email: treasuryops@nisource.com

with a copy to the Borrower at:

290 West Nationwide Boulevard
Columbus, Ohio 43215
Attention: Assistant Treasurer
Email: treasuryops@nisource.com

801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Vice President and Deputy General Counsel, Corporate and Commercial;

(b) if to the Administrative Agent, to U.S. Bank National Association at:

U.S. Bank National Association
1095 Avenue of the Americas, 15th Floor
New York, New York 10036
Attention: Johnny Hon
Email: johnny.hon@usbank.com and
agencyserviceslcshared@usbank.com
917-326-3944; and

(c) if to any Lender, to it at its address (or email) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through Electronic Systems, to the extent provided in paragraph (e) below, shall be effective as provided in said paragraph (e).

(d) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(f) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website, including an Electronic System, shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(g) Any party hereto may change its address or email for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(h) Electronic Systems.

(i) The Borrower and each Lender agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) and the Borrower do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party or the Borrower in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") or the Creditor Parties have any liability to the Borrower, any Lender, Administrative Agent or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Communications through an Electronic System, except to the extent that such damages, losses or expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Credit Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through an Electronic System.

SECTION 11.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) Subject to Section 2.14, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase or reinstate the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees or other amounts payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or any interest thereon, or any fees or other amounts payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the *pro rata* sharing of payments required thereby, without the written consent of each Lender, (v) [reserved], (vi) waive any of the conditions precedent to the Effective Date set forth in Section 3.01 without the written consent of each Lender, (vii) [reserved], or (viii) change any of the provisions of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; *provided, further*, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

SECTION 11.03. Expenses; Indemnity; Damage Waiver.

- (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable and documented fees, charges and disbursements of counsel for the Administrative Agent, in connection with the initial syndication of the term loan facility provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder, including in connection with any workout, restructuring or negotiations in respect thereof.
- (b) The Borrower shall indemnify the Administrative Agent, the Arranger and each Lender and each Related Party of any of the foregoing Persons (each such Person being called an “*Indemnitee*”) against, and hold each Indemnitee harmless from, any and all losses, claims, penalties, damages, liabilities and related reasonable expenses, including the reasonable and documented fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transaction contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property now, in the past or hereafter owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 11.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.
- (c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.
- (d) To the extent permitted by applicable law, (i) the Borrower shall not assert, and does hereby waive, any claim against any Lender and each Related Party of any of the foregoing Persons for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) without limiting the rights of indemnification of any Indemnitee set forth in this Agreement with respect to liabilities asserted by third parties, each party hereto shall not assert, and hereby

waives, any claim against each other party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions or any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 20 days after written demand therefor.

SECTION 11.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby; provided that, (i) except to the extent permitted pursuant to Section 6.01(b)(ii), the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof); provided, further, that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of such Lender's Loans;

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- (C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;
- (D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws;
- (E) without the prior written consent of the Administrative Agent, no assignment shall be made to a prospective assignee that bears a relationship to the Borrower described in Section 108(e)(4) of the Code; and
- (F) no assignment shall be made to any Affiliate of the Borrower.

For the purposes of this Section 11.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person)) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means (a) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), (b) a Defaulting Lender, (c) the Borrower, any of its Subsidiaries or any of its Affiliates, or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 11.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and other Obligations owing to, each Lender pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive (absent manifest error), and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(d) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of or notice to the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a “**Participant**”), other than an Ineligible Institution, in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein (it being understood that the documentation required under Section 2.17(e) and (f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; *provided* that such Participant agrees to be subject to the provisions of Section 2.19 as though it were an assignee under paragraph (b) of this Section. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the obligations under this Agreement (the “**Participant Register**”); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant’s interest in the obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such interest is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is

recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, to a Federal Reserve Bank or any central bank, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

SECTION 11.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans. The provisions of Sections 2.15, 2.16, 2.17, 9.02(c)(iv) and 11.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06. Counterparts; Integration; Effectiveness; Electronic Execution. (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent and the Arranger constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Credit Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 11.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Credit Document and/or the transactions contemplated hereby and/or thereby (each an “**Ancillary Document**”) that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Credit Document or

such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any other Credit Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Credit Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Credit Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Credit Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Credit Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent’s and/or any Lender’s reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 11.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender or any Affiliate thereof is hereby authorized at any time and from time to time, to the fullest extent permitted by law and with the prior written consent of the Administrative Agent, to

set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower against any of and all the Obligations now or hereafter existing under this Agreement or any other Credit Document held by such Lender or such Affiliate, irrespective of whether or not such Lender or such Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.09. Governing Law; Jurisdiction; Consent to Service of Process.

- (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.
- (b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District of New York sitting in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.
- (c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 11.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) actual or prospective counterparty (or its advisors) to any swap or derivative transaction or any credit insurance provider, in each case, relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or any Subsidiary of the Borrower or (i) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the term loan facility provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the term loan facility provided hereunder. For the purposes of this Section, "**Information**" means all information received from the Borrower or any Subsidiary of the Borrower relating to the Borrower or any Subsidiary of the Borrower or its respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary of

the Borrower; *provided* that, in the case of information received from the Borrower or any Subsidiary of the Borrower after the Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent, the Arranger and the Lenders in connection with the administration of this Agreement, the other Credit Documents, and the Commitments.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 11.13. USA PATRIOT Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

SECTION 11.14. Acknowledgments. The Borrower hereby acknowledges that:

- (a) it has been advised by and consulted with its own legal, accounting, regulatory and tax advisors (to the extent it deemed appropriate) in the negotiation, execution and delivery of this Agreement and the other Credit Documents;
- (b) (i) neither the Arranger, any Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Credit Documents, irrespective of whether any Arranger, the Administrative Agent, or any Lender has

advised or is advising the Borrower or any Subsidiary on other matters, (ii) the relationship between the Arranger, the Administrative Agent and the Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor, and (iii) the arranging and other services regarding this Agreement provided by the Arranger, the Administrative Agent, and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Arranger, the Administrative Agent and the Lenders;

(c) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents;

(d) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Arranger, the Administrative Agent and the Lenders or between the Borrower and the Lenders;

(e) (i) each of the Arranger, the Administrative Agent and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person, (ii) none of the Arranger, the Administrative Agent and the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents, (iii) the Arranger, the Administrative Agent and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Arranger, the Administrative Agent and the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates, and (iv) each Lender and its Affiliates may have economic interests that conflict with those of the Borrower; and

(f) to the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 11.15. Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

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- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
- (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 11.16. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively, “*charges*”), shall exceed the maximum lawful rate (the “*Maximum Rate*”) that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above amount collectable at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate for each day to the date of repayment, shall have been received by such Lender. Any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

SECTION 11.17. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NISOURCE INC., as Borrower

By: /s/ Randy G. Hulen

Name: Randy G. Hulen

Title: Vice President, Investor Relations and Treasurer

Federal Tax Identification Number: 35-2108964

*Signature Page to
NiSource 2023 Term Loan Agreement*

U.S. BANK NATIONAL ASSOCIATION, as
a Lender and as Administrative Agent

By: /s/ John M. Eyerman
Name: John M. Eyerman
Title: Senior Vice President

*Signature Page to
NiSource 2023 Term Loan Agreement*

EXHIBIT A
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “**Assignment and Assumption**”) is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the “**Assignor**”) and [Insert name of Assignee] (the “**Assignee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “**Assigned Interest**”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
[and is an Affiliate/Approved Fund of [identify Lender]¹]
3. Borrower(s): NiSource Inc., a Delaware corporation
4. Administrative Agent: U.S. Bank National Association as the administrative agent under the Credit Agreement

¹ Select as applicable.

5. Credit Agreement: The Credit Agreement dated as of November 9, 2023 among NiSource Inc., a Delaware corporation, as borrower, the Lenders parties thereto, U.S. Bank National Association, as Administrative Agent, and the other agents parties thereto

6. Assigned Interest:

<u>Aggregate Amount of Commitment/Loans for all Lenders</u>	<u>Amount of Commitment/ Loans Assigned</u>	<u>Percentage Assigned of Commitment/Loans²</u>
\$ _____	\$ _____	%
\$ _____	\$ _____	%
\$ _____	\$ _____	%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____

Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____

Title:

Consented to and Accepted:

U.S. BANK NATIONAL ASSOCIATION, as
Administrative Agent

By: _____

Title:

² Set forth, so at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[NISOURCE INC., as Borrower] ³

By: _____

Title: _____

³ To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01(h) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, any arranger or any other Lender and their respective Related Parties, (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (vi) it does not bear a relationship to the Borrower described in Section 108(e)(4) of the Code; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, any arranger, the Assignor or any other Lender and their respective Related Parties, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. THIS ASSIGNMENT AND ASSUMPTION SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

EXHIBIT B

FORM OF OPINION OF MCGUIREWOODS LLP

[See Attached.]

EXHIBIT C

FORM OF BORROWING REQUEST

BORROWING REQUEST

Date: _____, ____

To: U.S. Bank National Association,
as Administrative Agent
1095 Avenue of the Americas, 15th Floor
New York, New York 10036
Attention: Johnny Hon
Email: johnny.hon@usbank.com and
agencyerviceslcmshared@usbank.com
917-326-3944

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of November 9, 2023 (as may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time in accordance with its terms, the "**Agreement**"; the terms defined therein being used herein as therein defined), between NiSource Inc., a Delaware corporation (the "**Borrower**"), the Lenders party thereto, U.S. Bank National Association, as the Administrative Agent, and the other parties thereto.

The Borrower hereby requests a Borrowing, as follows:

1. In the aggregate amount of \$ _____.
2. On _____, 20__ (a Business Day).
3. Comprised of [an ABR] [a Term Benchmark] Borrowing.
- [4. With an Interest Period of _____ months.]⁴

[4][5]. The Borrower's account to which funds are to be disbursed is:

Account Number: _____

Location: _____

This Borrowing Request and the Borrowing requested herein comply with the Agreement, including Sections 2.01(a), 2.02, and 3.01 of the Agreement.

⁴ Insert if a Term Benchmark Borrowing.

[Signature Page Follows.]

NISOURCE INC.

By: _____

Name:

Title:

EXHIBIT D

FORM OF INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated _____, 20__ (this “**Supplement**”), by and among each of the signatories hereto, to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), between NiSource Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the “**Administrative Agent**”).

WITNESSETH

WHEREAS, pursuant to Section 2.08 of the Credit Agreement, the Borrower has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Commitments under the Credit Agreement by requesting one or more Lenders to increase the amount of its Commitment and to provide additional Loans in connection therewith;

WHEREAS, the Borrower has given notice to the Administrative Agent of its intention to obtain additional Commitments pursuant to such Section 2.08; and

WHEREAS, pursuant to Section 2.08 of the Credit Agreement, the undersigned Increasing Lender now desires to provide an additional Commitment under the Credit Agreement by executing and delivering to the Borrower and the Administrative Agent this Supplement;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall have its Commitment increased by \$[_____], thereby making the total amount of its Commitments equal to \$[_____]. The Increasing Lender severally agrees with each other Lender providing additional Commitments on the date hereof, if any, to make a term loan to the Borrower in Dollars in a single drawing on the date hereof, in an aggregate principal amount not to exceed such Increasing Lender’s additional Commitment hereunder.
2. The Borrower hereby represents and warrants that the conditions precedent set forth in Section 3.02(a) and (d) of the Credit Agreement are satisfied on and as of the date hereof.
3. Terms defined in the Credit Agreement shall have their defined meanings when used herein.
4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.
5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By: _____
Name: _____
Title: _____

Accepted and agreed to as of the date first written above:

NISOURCE INC.

By: _____
Name: _____
Title: _____

Acknowledged as of the date first written above:

U.S. BANK NATIONAL ASSOCIATION
as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT E

FORM OF AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated _____, 20__ (this "**Supplement**"), by and among each of the signatories hereto, to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), between NiSource Inc., a Delaware corporation (the "**Borrower**"), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the "**Administrative Agent**").

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.08 thereof that any bank, financial institution or other entity may extend Commitments under the Credit Agreement subject to the approval of the Borrower and the Administrative Agent, by executing and delivering to the Borrower and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a Commitment with respect to term loans of \$[_____]. The Augmenting Lender severally agrees with each other Lender providing additional Commitments on the date hereof, if any, to make a term loan to the Borrower in Dollars in a single drawing on the date hereof, in an aggregate principal amount not to exceed such Augmenting Lender's additional Commitment hereunder.

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

[_____]

4. The Borrower hereby represents and warrants that the conditions precedent set forth in Section 3.02(a) and (d) of the Credit Agreement are satisfied on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

NISOURCE INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

U.S. BANK NATIONAL ASSOCIATION
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT F

FORM OF TERM LOAN NOTE

TERM LOAN NOTE

FOR VALUE RECEIVED, the undersigned (the "**Borrower**"), hereby promises to pay to _____ or registered assigns (the "**Lender**"), in accordance with the provisions of the Agreement (as hereinafter defined), the aggregate unpaid principal amount of each Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement dated as of November 9, 2023 (as may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time in accordance with its terms, the "**Agreement**"; the terms defined therein being used herein as therein defined), between the Borrower, the Lenders party thereto, U.S. Bank National Association, as the Administrative Agent, and the other parties thereto.

The Borrower promises to pay interest on the aggregate unpaid principal amount of each Loan from time to time made by the Lender to the Borrower under the Agreement from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's office pursuant to the terms of the Agreement. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Term Loan Note is one of the promissory notes referred to in Section 2.10(e) of the Agreement, is one of the Credit Documents, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Term Loan Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Term Loan Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Term Loan Note.

THIS TERM LOAN NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Signature Page Follows.]

NISOURCE INC.

By: _____
Name: _____
Title: _____

EXHIBIT G

FORM OF INTEREST ELECTION REQUEST

INTEREST ELECTION REQUEST

Date: _____, ____

To: U.S. Bank National Association,
as Administrative Agent
1095 Avenue of the Americas, 15th Floor
New York, New York 10036
Attention: Johnny Hon
Email: johnny.hon@usbank.com and
agencyserviceslcmshared@usbank.com
917-326-3944

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of November 9, 2023 (as may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time in accordance with its terms, the “**Agreement**”; the terms defined therein being used herein as therein defined), between NiSource Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, U.S. Bank National Association, as the Administrative Agent, and the other parties thereto.

This Interest Election Request is delivered to you pursuant to Section 2.06 of the Agreement and relates to the following:

1. A conversion of a Borrowing A continuation of a Borrowing (select one).
2. In the aggregate principal amount of \$_____.
3. which Borrowing is being maintained as [an ABR Borrowing][a Term Benchmark Borrowing with an Interest Period ending on _____, 20__].
4. (select relevant election)

If such Borrowing is a Term Benchmark Borrowing, such Borrowing shall be continued as a Term Benchmark Borrowing having an Interest Period of [__] months.

If such Borrowing is a Term Benchmark Borrowing, such Borrowing shall be converted to an ABR Borrowing.

If such Borrowing is an ABR Borrowing, such Borrowing shall be converted to a Term Benchmark Borrowing having an Interest Period of [____] months.

5. Such election to be effective on _____, 20__ (a Business Day).

This Interest Election Request and the election made herein comply with the Agreement, including Section 2.06 of the Agreement.

[Signature Page Follows.]

NISOURCE INC.

By: _____
Name: _____
Title: _____

EXHIBIT H

FORM OF PREPAYMENT NOTICE

PREPAYMENT NOTICE

Date: _____, ____

To: U.S. Bank National Association,
as Administrative Agent
1095 Avenue of the Americas, 15th Floor
New York, New York 10036
Attention: Johnny Hon
Email: johnny.hon@usbank.com and
agencyserviceslcmshared@usbank.com
917-326-3944

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of November 9, 2023 (as may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time in accordance with its terms, the “**Agreement**”; the terms defined therein being used herein as therein defined), between NiSource Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, U.S. Bank National Association, as the Administrative Agent, and the other parties thereto.

This Prepayment Notice is delivered to you pursuant to Section 2.11 of the Agreement. The Borrower hereby gives notice of a prepayment of Loans as follows:

1. (select Type(s) of Loans)
 - ABR Loans in the aggregate principal amount of \$_____.
 - Term Benchmark Loans with an Interest Period ending _____, 20__ in the aggregate principal amount of \$_____.
2. On _____, 20__ (a Business Day).

This Prepayment Notice and prepayment contemplated hereby comply with the Agreement, including Section 2.11 of the Agreement.

[Signature Page Follows.]

NISOURCE INC.

By: _____
Name: _____
Title: _____

EXHIBIT I-1

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), between NiSource Inc., a Delaware corporation (the “*Borrower*”), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the “*Administrative Agent*”).

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: _____, 20[___]

EXHIBIT I-2

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), between NiSource Inc., a Delaware corporation (the “*Borrower*”), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the “*Administrative Agent*”).

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

EXHIBIT I-3

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), between NiSource Inc., a Delaware corporation (the “*Borrower*”), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the “*Administrative Agent*”).

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[__]

EXHIBIT I-4

FORM OF

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), between NiSource Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the “**Administrative Agent**”).

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any promissory note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any promissory note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Credit Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

Schedule 2.01

(Credit Agreement)

Names, Addresses, Allocation of Aggregate Commitment, and Applicable Percentages of Banks

Bank Name	Lending Office	Commitment	Applicable Percentage
U.S. Bank National Association	On file with the Administrative Agent	\$250,000,000	100%
TOTAL		\$250,000,000	100%

SCHEDULE 6.01(e)

EXISTING AGREEMENTS

Receivables Purchase Agreements and Receivables Sales Agreements of (a) Columbia Gas of Ohio Receivables Corporation, (b) Columbia Gas of Pennsylvania Receivables Corporation, (c) NIPSCO Accounts Receivables Corporation, and (d) any renewal, modification, extension or replacement of the above, in each case, to provide for receivables financings upon terms and conditions not materially more restrictive on Borrower and its Subsidiaries, taken as a whole, than the terms and conditions of such renewed, modified, extended or replaced facility.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 14, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

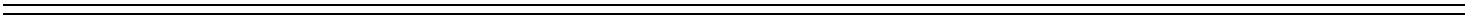
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 7.01. Regulation FD Disclosure.

On November 14, 2023, NiSource Inc. (the “Company”) issued a press release announcing the commencement of the final remarketing of 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of the Company’s equity units.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Commencement of the Final Remarketing Period of its Series C Mandatory Convertible Preferred Stock, dated November 14, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: November 14, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:
November 14, 2023

*Consistent With its Long-Term Financial Plan NiSource Inc. Announces
Commencement of Final Remarketing of its Series C Mandatory
Convertible Preferred Stock Relating to its 2021 Equity Units Offering*

MERRILLVILLE, Ind. – In accordance with NiSource’s long-term financial plan, NiSource Inc. (NYSE: NI) (“NiSource”) announced today the commencement of the final remarketing of 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units (“2021 Equity Units”).

Currently, the Mandatory Convertible Preferred Stock bears no dividends and is convertible only upon the occurrence of certain fundamental change events. On March 1, 2024, each outstanding share of the Mandatory Convertible Preferred Stock will automatically convert into a number of shares of NiSource common stock between 34,9528 and 41,0695 shares of common stock (in each case, subject to customary anti-dilution adjustments), depending on the average of the daily volume weighted average prices of the common stock over a 40 trading day period preceding March 1, 2024. If the closing price of NiSource common stock on the date of the pricing of the final remarketing of the Mandatory Convertible Preferred Stock is \$24.3490 (subject to customary anti-dilution adjustments) or less, the minimum conversion rate will be increased to an amount equal to \$1,000 divided by 117.5% of such closing price.

In connection with a successful final remarketing of the Mandatory Convertible Preferred Stock, dividends may become payable on the Mandatory Convertible Preferred Stock. If dividends become payable, they will be paid in cash when, as and if declared by NiSource’s board of directors out of funds legally available for the payment of dividends, on March 1, 2024. While NiSource currently anticipates these terms to be in effect after a successful final remarketing, the actual terms of the remarketed Mandatory Convertible Preferred Stock are subject to a successful final remarketing and will be subsequently determined by NiSource and the remarketing agents.

Upon a successful final remarketing, a portion of the proceeds from the final remarketing attributable to shares of Mandatory Convertible Preferred Stock that were components of the 2021 Equity Units will be automatically applied to satisfy in full the 2021 Equity Unit holders’ obligations to purchase NiSource common stock under the purchase contract component of their 2021 Equity Units, and any remaining proceeds will be promptly remitted to the holders of the 2021 Equity Units after the remarketing settlement date.

Goldman Sachs & Co. LLC, J.P. Morgan and Wells Fargo Securities are acting as the remarketing agents and BofA Securities, PNC Capital Markets LLC and Scotiabank are acting as co-remarketing agents for this final remarketing.

The final remarketing is being made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. Any offers to remarket the Mandatory Convertible Preferred Stock will be made exclusively by means of a prospectus supplement and accompanying prospectus. Copies of the prospectus supplement and accompanying prospectus relating to the remarketing may be obtained from (i) Goldman Sachs & Co. LLC, Attn: Prospectus Department, 200 West Street, New York, NY 10282, by phone at (866) 471-2526 or by email at prospectus-ny@ny.email.gs.com, (ii) J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 or by telephone at (866) 803-9204 or by email at prospectus-eq_fi@jpmchase.com or (iii) Wells Fargo Securities, LLC, at 500 West 33rd Street, New York, New York, 10001, Attn: Equity Syndicate Department, by calling toll free 1-800-326-5897, or by e-mail at cmclientsupport@wellsfargo.com.

About NiSource

References in this press release to “NiSource” refer to NiSource Inc. and “we,” “us” or “our” refer collectively to NiSource and its subsidiaries.

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource’s approximately 7,500 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability Index – North America. NI-F

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FOR ADDITIONAL INFORMATION

<u>Media</u>	<u>Investors</u>
Lynne Evosevich	Christopher Turnure
Corporate Media Relations	Director, Investor Relations
(724) 288-1611	(614) 404-9426
levosevich@nisource.com	cturnure@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning our ability to complete the final remarketing on the anticipated timeline or at all, the anticipated benefits of the final remarketing if completed, our plans, strategies and objectives, and any and all underlying assumptions and other

statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, 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.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 15, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

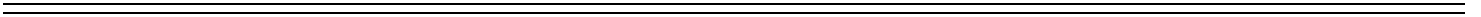
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 7.01. Regulation FD Disclosure.

On November 15, 2023, NiSource Inc. (the “Company”) issued a press release announcing the postponement of the final remarketing of 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of the Company’s equity units.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing Postponement of the Final Remarketing Period of its Series C Mandatory Convertible Preferred Stock, dated November 15, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: November 15, 2023

By:

/s/ Shawn Anderson

Shawn Anderson

Executive Vice President and Chief Financial Officer

Exhibit 99.1



FOR IMMEDIATE RELEASE:
November 15, 2023

NiSource Inc. Announces Postponement of the Final Remarketing of its Series C Mandatory Convertible Preferred Stock

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) is announcing that it has postponed, at its option, the final remarketing of 862,500 shares of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units.

On November 14, 2023, NiSource announced the commencement of the final remarketing of the Mandatory Convertible Preferred Stock. NiSource has postponed the final remarketing of the Mandatory Convertible Preferred Stock. NiSource may, in its discretion, recommence the final remarketing on any day from Wednesday, November 15 through Friday, November 17, the last day of the final remarketing period. Should NiSource recommence the final remarketing, NiSource will issue another press release on or prior to the day on which it recommences the final remarketing.

Goldman Sachs & Co. LLC, J.P. Morgan and Wells Fargo Securities are acting as the remarketing agents and BofA Securities, PNC Capital Markets LLC and Scotiabank are acting as co-remarketing agents for the final remarketing.

The final remarketing will be made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. Any offers to remarket the Mandatory Convertible Preferred Stock will be made exclusively by means of a prospectus supplement and accompanying prospectus. Copies of the prospectus supplement and accompanying prospectus relating to the remarketing may be obtained from (i) Goldman Sachs & Co. LLC, Attn: Prospectus Department, 200 West Street, New York, NY 10282, by phone at (866) 471-2526 or by email at prospectus-ny@ny.email.gs.com, (ii) J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 or by telephone at (866) 803-9204 or by email at prospectus-ny_eq_fi@jpmchase.com or (iii) Wells Fargo Securities, LLC, at 500 West 33rd Street, New York, New York, 10001, Attn: Equity Syndicate Department, by calling toll free 1-800-326-5897, or by e-mail at cmclientsupport@wellsfargo.com.

About NiSource

References in this press release to “NiSource” refer to NiSource Inc. and “we,” “us” or “our” refer collectively to NiSource and its subsidiaries.

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource’s approximately 7,500 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability Index - North America. NI-F

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FOR ADDITIONAL INFORMATION

Media

Lynne Evosevich
Corporate Media Relations
(724) 288-1611
levosevich@nisource.com

Investors

Christopher Turnure
Director, Investor Relations
(614) 404-9426
cturnure@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning our ability to complete the final remarketing on the anticipated timeline or at all, the anticipated benefits of the final remarketing if completed, our plans, strategies and objectives, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, 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.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 17, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 7.01. Regulation FD Disclosure.

On November 17, 2023, NiSource Inc. (the “Company”) issued a press release announcing the results of the final remarketing of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of the Company’s equity units.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Results of the Final Remarketing Period of its Series C Mandatory Convertible Preferred Stock, dated November 17, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: November 17, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:
November 17, 2023

**NiSource Inc. Announces Results of Final Remarketing of its Series C
Mandatory Convertible Preferred Stock Relating to its 2021 Equity Units
Offering**

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today the unsuccessful final remarketing of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units (“2021 Equity Units”).

As of December 1, 2023, holders of shares of Mandatory Convertible Preferred Stock that are components of the 2021 Equity Units will be deemed to have automatically delivered their Mandatory Convertible Preferred Stock to NiSource to satisfy in full their obligations to purchase NiSource common stock under the purchase contract component of their 2021 Equity Units.

Goldman Sachs & Co. LLC, J.P. Morgan and Wells Fargo Securities acted as the remarketing agents and BofA Securities, PNC Capital Markets LLC and Scotiabank acted as co-remarketing agents for this final remarketing.

The final remarketing was made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. Any offers to remarket the Mandatory Convertible Preferred Stock were made exclusively by means of a prospectus supplement and accompanying prospectus. For additional information regarding the final remarketing and the securities referenced herein, please contact: Goldman Sachs & Co. LLC, 200 West Street, New York, NY 10282, eq-derivs-notifications@ny.email.gs.com, Prospectus Department, 200 West Street, New York, NY 10282, by telephone: 1-866-471-2526, by facsimile: 212-902-9316 or by emailing Prospectus-ny@ny.email.gs.com; J.P. Morgan Securities LLC, 383 Madison Avenue, New York, NY 10179, Attention: Equity Syndicate Desk, by telephone: 1-212 622 2614 or by facsimile: 1-212-622-8358 or Wells Fargo Securities, LLC, 500 West 33rd Street, New York, NY 10001, Attention: Equity Syndicate Department, by telephone: 1-800-326-5897, by facsimile: 1-212-214-5918 or by emailing cmclientsupport@wellsfargo.com.

About NiSource

References in this press release to “NiSource” refer to NiSource Inc. and “we,” “us” or “our” refer collectively to NiSource and its subsidiaries.

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six

states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource's approximately 7,500 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability Index—North America. NI-F

###

FOR ADDITIONAL INFORMATION

Media

Lynne Evosevich
Corporate Media Relations
(724) 288-1611
levosevich@nisource.com

Investors

Christopher Turnure
Director, Investor Relations
(614) 404-9426
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Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning our ability to perform our obligations under the purchase contract component of the 2021 Equity Units, our plans, strategies and objectives, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, 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.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 17, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

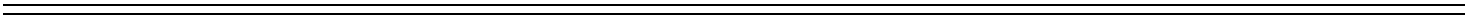
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 7.01. Regulation FD Disclosure.

On November 17, 2023, NiSource Inc. (the “Company”) announced today the unsuccessful final remarketing of its Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share (the “Mandatory Convertible Preferred Stock”), originally issued on April 19, 2021 as part of NiSource’s equity units (“2021 Equity Units”). As of December 1, 2023, holders of shares of Mandatory Convertible Preferred Stock that were components of the 2021 Equity Units will be deemed to have automatically delivered their Mandatory Convertible Preferred Stock to satisfy in full their obligations to purchase NiSource common stock under the purchase contract component of their 2021 Equity Units.

The Company held its third quarter 2023 earnings call on November 1, 2023. As an update to such earnings call, due to no longer receiving proceeds from the remarketing of the Mandatory Convertible Preferred Stock, the Company now anticipates issuing a maximum of \$600 million of equity in 2024 pursuant to an at-the-market (“ATM”) program. No equity issuances are anticipated in 2023 and equity issuances in 2025 through 2028 are expected to be \$200-300 million annually pursuant to an ATM program to support the base capital plan.

The financial guidance as disclosed in our press release on November 1, 2023 remains unchanged. Including,

- In 2023, non-GAAP Net Operating Earnings Per Share (“NOEPS”)* is expected to be in the upper half of the \$1.54-1.60 range.
- In 2024, non-GAAP NOEPS* is expected to be in the range of \$1.68-1.72.
- Non-GAAP NOEPS growth expected to be 6-8% annually from 2023-2028.

Additionally, the Company continues to expect to achieve 14-16% Funds From Operations/debt* annually during the 2023-2028 period.

The information set forth in and incorporated by reference into this Item 7.01 of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

****Non-GAAP Disclosure Statement***

This includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders and diluted earnings per share (NOEPS) and also with respect to Funds From Operations (FFO), which are non-GAAP financial measures as defined by the SEC’s Regulation G. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to guidance on NOEPS and FFO, NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on net operating earnings or FFO due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures. The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP NOEPS or FFO guidance to the comparable GAAP equivalents without unreasonable efforts.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements include, but are not limited to, statements concerning the ability to issue equity securities on the terms and conditions satisfactory to the Company and to achieve the financial guidance discussed in this report. 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 forward-looking statements include, among other things, matters set forth in Item 1A, “Risk Factors” section of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in our Quarterly Reports on Form 10-Q, and in our

other filings with the SEC. 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: November 17, 2023

By:

/s/ Shawn Anderson

Shawn Anderson

Executive Vice President and Chief Financial Officer

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

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 1, 2023

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On December 1, 2023, NiSource Inc. (the "Company") issued a press release announcing, among other things that, pursuant to the terms of its Series A Corporate Units, originally issued on April 19, 2021, it intends to voluntarily delist its Series A Corporate Units from the New York Stock Exchange ("NYSE").

The Company currently anticipates a Form 25 will be filed with the Securities and Exchange Commission relating to the delisting on December 1, 2023, and that the delisting of its securities will become effective on December 1, 2023. The Company does not expect that the delisting will have any adverse effects on the continued listing of the Company's Common Stock and the Company will remain subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended.

Item 7.01. Regulation FD Disclosure.

On December 1, 2023, the Company issued a press release announcing, among other things, the settlement rate of the purchase contracts that form part of its Series A Corporate Units, originally issued on April 19, 2021 as part of the Company's equity units.

A copy of the press release is attached as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The information included in this Item 7.01 of this Current Report on Form 8-K and the press release attached hereto as Exhibit 99.1 are for informational purposes only and do not constitute an offer to sell the Mandatory Convertible Preferred Stock.

The information set forth in and incorporated by reference into this Item 7.01 (including Exhibit 99.1) of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Announcing the Settlement Rate for the Purchase Contract Component of its 2021 Equity Units Offering, dated December 1, 2023, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.
(Registrant)

Date: December 1, 2023

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

Exhibit 99.1



FOR IMMEDIATE RELEASE:
December 1, 2023

NiSource Inc. Announces the Settlement Rate for the Purchase Contract Component of its 2021 Equity Units Offering

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today the settlement rate of the purchase contracts that form part of its Series A Corporate Units (the “Corporate Units”), originally issued on April 19, 2021 as part of NiSource’s equity units (“2021 Equity Units”). Each holder of a Corporate Unit will receive 3.9295 shares (the “Settlement Rate”) of NiSource common stock with cash to be paid in lieu of any fractional share. The Settlement Rate was determined based upon the per-share daily volume weighted average of NiSource’s common stock over a consecutive 40-day trading period ending on November 29, 2023.

Pursuant to the terms of the 2021 Equity Units, as of December 1, 2023, each holder of Corporate Units will be deemed to have automatically delivered the related Series C Mandatory Convertible Preferred Stock that are components of the Corporate Units to NiSource in full satisfaction of such holder’s obligations under the related purchase contracts. On December 1, 2023, (i) each holder of a Corporate Unit will receive 3.9295 shares of the NiSource’s common stock (Bloomberg Ticker: NI) under the purchase contract component of the Corporate Units, with cash to be paid in lieu of any fractional share, (ii) NiSource will retire and cancel the Series C Mandatory Convertible Preferred Stock and such Series C Mandatory Convertible Preferred Stock will cease to exist and (iii) NiSource will voluntarily delist the Corporate Units (Bloomberg Ticker: NIMC) from the New York Stock Exchange.

About NiSource

References in this press release to “NiSource” refer to NiSource Inc. and “we,” “us” or “our” refer collectively to NiSource and its subsidiaries.

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.2 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource’s approximately 7,500 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability Index - North America. NI-F

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FOR ADDITIONAL INFORMATION

Media

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Investors

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Director, Investor Relations
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cturnure@nisource.com

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning the issuance of shares of common stock at the established settlement rate, our plans, strategies and objectives, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the

COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, 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.

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 6, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

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- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

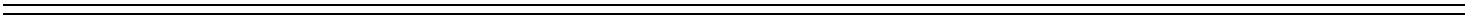
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 1.01 **Entry into a Material Definitive Agreement**

On December 6, 2023, NiSource Inc. (the “Company”) entered into the Augmenting Lender Supplement (the “Supplement”), with Mizuho Bank, LTD and Bank of Montreal (each an “Augmenting Lender” and collectively, the “Augmenting Lenders”), to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Company, the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent thereunder (the “Administrative Agent”). The Credit Agreement provides that any bank, financial institution or other entity may extend term loan commitments under the Credit Agreement, subject to the approval of the Company and the Administrative Agent, by executing and delivering to the Company and the Administrative Agent a supplement to the Credit Agreement in the form of the Supplement. Under the Supplement, each Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a commitment with respect to term loans, in the case of each Augmenting Lender, of \$200 million. Under the Credit Agreement, as modified by the Supplement, the Company borrowed \$400 million on December 6, 2023, representing the aggregate commitments of the Augmenting Lenders thereunder.

The description above is a summary of the Supplement and is qualified in its entirety by the complete text of the Supplement, a copy of which is attached to this report as Exhibit 10.1 and incorporated herein by reference.

Item 2.03 **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01 **Financial Statements and Exhibits**

(d) *Exhibits*

Exhibit Number	Description
10.1	Augmenting Lender Supplement, dated December 6, 2023, by and among NiSource Inc., Mizuho Bank, LTD, Bank of Montreal. and U.S. Bank National Association
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: December 6, 2023

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

Exhibit 10.1

EXECUTION COPY

AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated December 6, 2023 (this "*Supplement*"), by and among each of the signatories hereto, to the Credit Agreement dated as of November 9, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), between NiSource Inc., a Delaware corporation (the "*Borrower*"), the Lenders party thereto and U.S. Bank National Association, as the Administrative Agent (the "*Administrative Agent*").

WITNESSETH

WHEREAS, the Credit Agreement provides in Section 2.08 thereof that any bank, financial institution or other entity may extend Commitments under the Credit Agreement subject to the approval of the Borrower and the Administrative Agent, by executing and delivering to the Borrower and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lenders were not original parties to the Credit Agreement but now desire to become parties thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. Each undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a Commitment with respect to term loans of \$200,000,000. Each Augmenting Lender severally agrees with each other Lender providing additional Commitments on the date hereof, if any, to make a term loan to the Borrower in Dollars in a single drawing on the date hereof, in an aggregate principal amount not to exceed such Augmenting Lender's additional Commitment hereunder. Notwithstanding the provisions of Section 2.02(d) of the Credit Agreement, the Borrower, the Administrative Agent and each Augmenting Lender agree that the Borrowing Request with respect to the additional Commitments hereunder may be provided upon only one (1) Business Day's prior notice.

2. Each undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that

it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. Each Augmenting Lender's address for notices for the purposes of the Credit Agreement is as follows:

Bank of Montreal:

Bank of Montreal Chicago Branch
Attention: Melissa L. Price; melissa.l.price@bmo.com
111 W. Monroe Street
Chicago, IL 60603-4096

Mizuho Bank, Ltd:

Mizuho Bank, Ltd.
1271 Avenue of the Americas
New York, NY 10020
Attention: Andrew Taylor
Andrew.taylor@mizuhogroup.com

Mizuho Bank Loan Operations
1800 Plaza Ten
Harborside Financial Ctr.
Jersey City, NJ 07311
Attention: Vijay Varma
LAU_USCorp3@mizuhogroup.com

4. The Borrower hereby represents and warrants that the conditions precedent set forth in Section 2.08 of the Credit Agreement are satisfied (including, without limitation, satisfaction of the conditions set forth in Section 3.02) on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

MIZUHO BANK, LTD
as Augmenting Lender

By: /s/ Edward Sacks

Name: Edward Sacks

Title: Authorized Signatory

BANK OF MONTREAL
as Augmenting Lender

By: /s/ Yash Gandhi

Name: Yash Gandhi

Title: Vice President

*Signature Page to NiSource Augmenting Lender Supplement
(Mizuho and BMO)*

Accepted and agreed to as of the date first written above:

NISOURCE INC.

By: /s/ Randy G. Hulen
Name: Randy G. Hulen
Title: Vice President, Investor Relations and Treasurer

Acknowledged as of the date first written above:

U.S. BANK NATIONAL ASSOCIATION
as Administrative Agent

By: /s/ John M. Eyerman
Name: John M. Eyerman
Title: Senior Vice President

*Signature Page to NiSource Augmenting Lender Supplement
(Mizuho and BMO)*

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 18, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 1.01 Entry Into a Material Definitive Agreement.

On December 18, 2023, NiSource Inc. (“NiSource”) and The Bank of New York Mellon, as trustee, entered into a Fourth Supplemental Indenture (the “Fourth Supplemental Indenture”) to the Company’s Indenture dated as of February 14, 1997, as supplemented by the First Supplemental Indenture dated as of February 16, 1999, the Second Supplemental Indenture dated as of November 1, 2000, and the Third Supplemental Indenture dated as of November 30, 2017 (as supplemented and amended from time to time, the “Indenture”) among NiSource (as successor issuer), and The Bank of New York Mellon (as successor trustee) (the “Trustee”) relating to the Company’s outstanding 7.99% Medium-Term Notes due 2027 (CUSIP No. 65463PBA4) (the “7.99% Notes”) and the 6.78% Senior Notes due 2027 (CUSIP No. 654638AB1) (the “6.78% Notes”, and together with the 7.99% Notes, the “Notes”).

The Fourth Supplemental Indenture gives effect to the consents validly delivered and not validly revoked by holders representing \$27,500,000 in aggregate principal amount (representing 94.83% of the aggregate principal amount) of the 7.99% Notes, and \$3,000,000 in aggregate principal amount (representing 100% of the aggregate principal amount) of the 6.78% Notes, in connection with NiSource’s consent solicitation statement dated November 7, 2023 (the “Statement”), notice of extension dated November 16, 2023, and notice of extension dated November 30, 2023 (collectively, the “Statements”). Pursuant to the Statements, NiSource solicited consents from holders of the Notes to approve a waiver of certain terms of the Indenture that could trigger a default with respect to NiSource’s previously announced acquisition of a 19.9% interest in Northern Indiana Public Service Company LLC (“NIPSCO”) by an affiliate of Blackstone Infrastructure Partners. The Fourth Supplemental Indenture amends, the covenant in the Indenture requiring, among other things, that NiSource continue to own, directly or indirectly, all of NIPSCO, to require that NiSource own, directly or indirectly, at least 70% of NIPSCO rather than 100%.

The above description of the Fourth Supplemental Indenture does not purport to be complete and is qualified in its entirety by reference to the complete text of the Fourth Supplemental Indenture, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
10.1	Fourth Supplemental Indenture, dated as of December 18, 2023, between NiSource, Inc. and The Bank of New York Mellon, as trustee, relating to the 7.99% Medium-Term Notes due 2027 and the 6.78% Senior Notes due 2027.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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 hereunto duly authorized.

Date: December 18, 2023

NISOURCE INC.

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

Exhibit 10.1

Execution Version

FOURTH SUPPLEMENTAL INDENTURE

FOURTH SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), dated as of December 18, 2023, between NiSource Inc., a Delaware corporation (“**NiSource**”), and The Bank of New York Mellon, a New York banking corporation, not in its individual capacity but solely as successor trustee (the “**Trustee**”) under the Indenture dated as of February 14, 1997 among NiSource Inc. successor to NiSource Capital Markets, Inc., an Indiana corporation formerly known as NIPSCO Capital Markets, Inc. and successor to NIPSCO Industries, Inc., and The Chase Manhattan Bank, as original trustee (as supplemented, the “**Indenture**”).

WITNESSETH:

WHEREAS, NiSource (as successor to NiSource Capital Markets, Inc. and NIPSCO Industries, Inc.) executed and delivered to the Trustee (as successor in interest to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) the Indenture in order to provide for the issuance from time to time of unsecured debentures, notes or other evidences of indebtedness (collectively, the “**Securities**”), to be issued in one or more series under the Indenture in an unlimited aggregate principal amount, which may be authenticated and delivered as provided in the Indenture;

WHEREAS, NiSource has received the written consent of the Holders of a majority in aggregate amount of Outstanding 7.99% Medium-Term Notes due 2027 (CUSIP No. 65463PBA4) and the Holders of a majority in aggregate amount of Outstanding 6.78% Senior Notes due 2027 (CUSIP No. 654638AB1) to, among other things, approve certain amendments (the “**Amendments**”) to the Indenture which are set forth in this Supplemental Indenture;

WHEREAS, the execution and delivery of this Supplemental Indenture has been duly authorized by the Board of Directors of NiSource, and all things necessary to make this Supplemental Indenture a valid, binding and legal instrument according to its terms have been done;

WHEREAS, pursuant to Section 902 of the Indenture, with the consent of a specified percentage of Holders of Outstanding Securities and upon the satisfaction of the other conditions set forth in Section 9.02, the Trustee is authorized to execute and deliver this Supplemental Indenture; and

WHEREAS, NiSource has requested and hereby requests that the Trustee, join with the NiSource in the execution of this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, NiSource and the Trustee mutually covenant and agree for the benefit of each other and the equal and ratable benefit of the Holders of Securities as follows:

**ARTICLE 1
DEFINITIONS**

Section 1.1 **Defined Terms**. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used as so defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

**ARTICLE 2
CORPORATE EXISTENCE**

Section 2.1. SECTION 1005 of the Indenture shall be deleted in its entirety and replaced with the following:

“SECTION 1005. Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and its rights (charter and statutory) and franchises.

Subject to Article Eight, (1) Industries will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and that of its subsidiary Northern Indiana and its rights (charter and statutory) and franchises and those of Northern Indiana; provided, however, that Industries shall not be required to preserve any such right or franchise of Northern Indiana if, in the judgment of Industries, the preservation thereof is no longer desirable in the conduct of the business of Northern Indiana and the loss thereof would not be disadvantageous in any material respect to the Holders of Securities, and (2) Industries will continue to own, directly or indirectly, at least 70% of the common stock of Northern Indiana.”

Section 2.2. In the second paragraph of the “RECITALS OF THE COMPANY AND INDUSTRIES” in the Indenture the phrase “Northern Indiana Public Service Company, an Indiana corporation” shall be replaced with “Northern Indiana Public Service Company, an Indiana limited liability company.”

Section 2.3 The following definition shall be added to ARTICLE ONE, SECTION 101 of the Indenture:

“common stock” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person other than a corporation (including, but not limited to, all common stock and preferred stock and partnership, membership and joint venture interests or units in a Person), and any and all warrants, rights or options to purchase any of the foregoing.”

ARTICLE 3 MISCELLANEOUS

Section 3.1 Execution and Delivery. This Supplemental Indenture shall be effective upon execution by the parties hereto.

Section 3.2 Ratification of Indenture; Supplemental Indenture Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

Section 3.3 Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

Section 3.4 Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONTRARY CONFLICT OF LAWS OR CHOICE OF LAW PROVISIONS OF THE LAW OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION.

Section 3.5. Waiver of Jury Trial. EACH OF NISOURCE AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 3.6 Counterparts. The parties may sign any number of copies of this Supplemental Indenture (including by electronic transmission). Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 3.7 Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 3.8 Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity, adequacy or sufficiency of this Supplemental Indenture or the Outstanding Securities or for or in respect of the recitals contained herein, all of which recitals are made solely by NiSource.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

NiSource Inc.

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

Attest:

By: /s/ John Nassos
John Nassos
Assistant Corporate Secretary

The Bank of New York Mellon, as Trustee

By: /s/ Stacey B. Poindexter
Name: Stacey B. Poindexter
Title: Vice President

Attest:

By: /s/ Esther Antoine
Esther Antoine
Vice President

TAB 69

807 KAR 5:001 Section 16(7)(p)

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 31, 2023

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

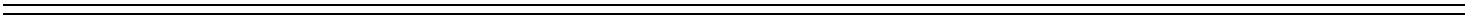
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Introductory Note.

On December 31, 2023, NiSource Inc., a Delaware corporation (“**NiSource**” or “**Company**”) consummated the closing (the “**Closing**”) of the issuance of a 19.9% indirect equity interest in NiSource’s wholly-owned subsidiary Northern Indiana Public Service Company LLC (“**NIPSCO**”) to BIP BLUE BUYER L.L.C., an affiliate of Blackstone Infrastructure Partners and an experienced investor in U.S. infrastructure (the “**Investor**”). Pursuant to that previously announced purchase and sale agreement (the “**Purchase Agreement**”) dated June 17, 2023, as amended by Amendment No. 1 to the Purchase Agreement dated July 6, 2023, by and among NiSource, NIPSCO Holdings II LLC, a Delaware limited liability company (“**Holdings II**”) and Investor, at Closing, Investor acquired a 19.9% equity interest in Holdings II in exchange for making a capital contribution of \$2,161,940,000 in cash in Holdings II. Upon consummation of the Closing, NiSource owns an 80.1% controlling indirect equity interest in NIPSCO while Investor owns the remaining 19.9% indirect equity interest.

Item 1.01 Entry Into a Material Definitive Agreement.

On December 31, 2023, pursuant to the terms of the Purchase Agreement and simultaneously with the Closing, Investor, NIPSCO Holdings I LLC, an Indiana limited liability company (“**Holdings I**”), Holdings II and NiSource entered into an Amended and Restated Limited Liability Company Agreement of Holdings II (the “**LLC Agreement**”). The LLC Agreement establishes, among other things, governance rights, exit rights, requirements for additional capital contributions, mechanics for distributions, and other arrangements for Holdings II from and following the Closing. Specifically, under the terms of the LLC Agreement, Investor will provide up to \$250,000,000 in additional capital contributions over a three-year period after the Closing, which obligation is backed by an Equity Commitment Letter from an affiliate of Investor. Under the LLC Agreement, Investor is entitled to appoint two directors to the board of directors of Holdings II (the “**Board**”) so long as Investor (together with any approved affiliate) holds at least a 17.5% Percentage Interest (as defined in the LLC Agreement). In connection with the Closing, Investor appointed two directors to the Board, such that the Board is now comprised of seven directors, two appointed by Investor and five appointed by NiSource. The LLC Agreement also contains certain investor protections, including, among other things, requiring Investor approval for Holdings II to take certain major actions. In addition, the LLC Agreement contains certain terms surrounding transfer rights and other obligations applicable to both Investor and NiSource.

The foregoing description of the LLC Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the LLC Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On January 2, 2024, NiSource issued a press release announcing the Closing, a copy of which is furnished hereto as Exhibit 99.1 to this Current Report on Form 8-K.

The information set forth in and incorporated by reference into this Item 7.01 of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company’s filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1*	Amended and Restated Limited Liability Company Agreement of NIPSCO Holdings II LLC, dated December 31, 2023.
99.1	Press Release, dated January 2, 2024 (furnished pursuant to Item 7.01).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* 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.

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: January 2, 2024

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

Exhibit 10.1

Execution Version

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
NIPSCO HOLDINGS II LLC

TABLE OF CONTENTS

	Page
ARTICLE I GENERAL MATTERS	1
Section 1.1 Formation	1
Section 1.2 Name	1
Section 1.3 Purpose	1
Section 1.4 Registered Office	2
Section 1.5 Registered Agent	2
Section 1.6 Members	2
Section 1.7 Powers	3
Section 1.8 Limited Liability Company Agreement	3
Section 1.9 Issuance of Additional Membership Interests	3
Section 1.10 No State Law Partnership	3
ARTICLE II MANAGEMENT	3
Section 2.1 Directors	3
Section 2.2 Number of Directors; Proportional Appointment Rights	4
Section 2.3 Removal of Directors	5
Section 2.4 Vacancies	5
Section 2.5 Acts of the Board; Voting	5
Section 2.6 Compensation of Directors	5
Section 2.7 Meetings of Directors; Notice	5
Section 2.8 Quorum	6
Section 2.9 Place and Method of Meetings	6
Section 2.10 Action by the Board Without a Meeting	6
Section 2.11 Duties of Directors	6
Section 2.12 Committees	7
Section 2.13 Investor Member Board Observer	7
Section 2.14 Related Party Matters	7
ARTICLE III OFFICERS	9
Section 3.1 Appointment and Tenure	9
Section 3.2 Removal	9
Section 3.3 President	9
Section 3.4 Vice Presidents	9
Section 3.5 Secretary; Assistant Secretaries	9
Section 3.6 Treasurer; Assistant Treasurers	10
Section 3.7 Duties of Officers	10
ARTICLE IV DEFAULT; DISSOLUTION	10
Section 4.1 Events of Default	10
Section 4.2 Default Notice	10
Section 4.3 Dissolution	11

ARTICLE V CAPITAL CONTRIBUTIONS; DISTRIBUTIONS; ALLOCATIONS	11
Section 5.1 Capital Contributions	11
Section 5.2 Distributions Generally	15
Section 5.3 Distributions upon the Occurrence of an Event of Dissolution	16
Section 5.4 Capital Accounts	16
Section 5.5 Withdrawal of Capital; Interest	16
Section 5.6 Allocation of Profits and Losses	17
Section 5.7 Special Allocations	17
Section 5.8 Other Allocation Rules for Profits and Losses for Capital Accounts	19
Section 5.9 Tax Allocations; Code Section 704(c) Allocations	19
Section 5.10 Allocation of Liabilities	20
Section 5.11 Compliance with Tax Laws	20
ARTICLE VI TRANSFERS OF MEMBERSHIP INTERESTS	20
Section 6.1 General Restriction	20
Section 6.2 Transfers to Permitted Transferees; Liens by Members	21
Section 6.3 Right of First Offer	21
Section 6.4 Tag-Along Rights	23
Section 6.5 Drag-Along Rights	24
Section 6.6 Cooperation	26
Section 6.7 Sale of Investor Member	27
ARTICLE VII PREEMPTIVE RIGHTS	27
Section 7.1 Preemptive Rights	27
ARTICLE VIII PROTECTIVE PROVISIONS	28
Section 8.1 Investor Member Threshold Matters	28
Section 8.2 Consultation Matters	29
Section 8.3 Indebtedness	30
Section 8.4 Additional Actions	30
Section 8.5 Actions by the Investor Directors on behalf of the Investor Member	30
Section 8.6 Acknowledgement of Purpose of Provisions	30
ARTICLE IX OTHER COVENANTS AND AGREEMENTS	31
Section 9.1 Books and Records	31
Section 9.2 Financial Reports	31
Section 9.3 Other Business; Corporate Opportunities	32
Section 9.4 Compliance with Laws	33
Section 9.5 Non-Solicit	33
Section 9.6 Confidentiality	33
Section 9.7 Expenses	34
Section 9.8 Obligations in Respect of Financings	35
Section 9.9 Credit Support	35

ARTICLE X TAX MATTERS	35
Section 10.1 Tax Classification	35
Section 10.2 Partnership Representative	36
Section 10.3 Tax Elections	37
Section 10.4 Cooperation	37
Section 10.5 Withholding	38
Section 10.6 Certain Representations and Warranties	38
ARTICLE XI LIABILITY; EXCULPATION; INDEMNIFICATION	38
Section 11.1 Liability; Member Duties	38
Section 11.2 Exculpation	38
Section 11.3 Indemnification	39
Section 11.4 Authorization	39
Section 11.5 Reliance on Information	39
Section 11.6 Advancement of Expenses	39
Section 11.7 Non-Exclusive Provisions	40
Section 11.8 Survival of Indemnification and Advancement of Expenses	40
Section 11.9 Limitations	40
ARTICLE XII REPRESENTATIONS AND WARRANTIES	40
Section 12.1 Members Representations and Warranties	40
ARTICLE XIII MISCELLANEOUS	41
Section 13.1 Notices	41
Section 13.2 Assignment	42
Section 13.3 Waiver of Partition	42
Section 13.4 Further Assurances	43
Section 13.5 Third Party Beneficiaries	43
Section 13.6 Parties in Interest; Non-Recourse	43
Section 13.7 Severability	43
Section 13.8 Construction	43
Section 13.9 Complete Agreement	43
Section 13.10 Amendment; Waiver	43
Section 13.11 Governing Law	44
Section 13.12 Specific Performance	44
Section 13.13 Escalation; Arbitration	44
Section 13.14 Counterparts	46
Section 13.15 Fair Market Value Determination	46
Section 13.16 Certain Definitions	46
Section 13.17 Terms Defined Elsewhere in this Agreement	58
Section 13.18 Other Definitional Provisions	59

Schedules

Schedule 1 – Schedule of Members

Schedule 2 – Senior Management Termination Event

AMENDED & RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

This AMENDED & RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of NIPSCO Holdings II LLC (the "Company") is made and entered into as of December 31, 2023 (the "Effective Date"), by and among the Company, NIPSCO Holdings I LLC, an Indiana limited liability company (the "NiSource Member"), BIP Blue Buyer L.L.C., a Delaware limited liability company (the "Investor Member") and solely for the purposes of Article VI, NiSource Inc., a Delaware corporation (the "Parent"). The Company, the NiSource Member and the Investor Member are each sometimes referred to herein as a "Party" and, together, as the "Parties".

RECITALS

1. Immediately prior to the execution and delivery hereof, the NiSource Member was the owner of 100% of the Membership Interests.

2. On June 17, 2023, the Company, the NiSource Member, the Parent and the Investor Member entered into the PSA, pursuant to which the Company has, concurrently with the execution and delivery of this Agreement, sold and issued to the Investor Member Membership Interests constituting a 19.9% Percentage Interest.

3. Upon the execution and delivery hereof, and in connection with the closing of the transactions contemplated by the PSA, the NiSource Member will be the owner of Membership Interests constituting an 80.1% Percentage Interest, and the Parties collectively will be the owners of 100% of the Membership Interests.

4. The Parties desire to, and by the execution and delivery of this Agreement hereby do, amend and restate in its entirety the Limited Liability Company Agreement of the Company, dated as of June 7, 2023, in order to provide for, among other things, the admission of the Investor Member as a Member, the rights and responsibilities of the Parties with respect to the governance, financing and operation of the Company, and certain other matters relating to the business arrangements between the Parties with respect to the Company.

Therefore, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valid consideration the receipt of which is hereby acknowledged by each Party, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
GENERAL MATTERS

Section 1.1 Formation. The Parent formed the Company as a limited liability company pursuant to the Act. The Members ratify the organization and formation of the Company and continue the Company, pursuant to the terms and conditions of this Agreement.

Section 1.2 Name. The name of the Company is "NIPSCO Holdings II LLC".

Section 1.3 Purpose.

(a) The purpose of the Company is to, either on its own behalf or through its Subsidiaries, engage in all lawful business for which limited liability companies may be formed under the Act in furtherance of the following activities (the "Company Business"):

(i) owning and operating a public utility engaged in the (A) generation, transmission, distribution, marketing and sale of electricity and/or (B) transmission and distribution of natural gas, within the State of Indiana;

(ii) making direct or indirect investments in, or developing, constructing, commercializing, owning, operating or maintaining assets and facilities relating to the electric or gas business, including renewable energy projects;

(iii) undertaking any business activities conducted as of the Effective Date by the Company or its Subsidiaries;

(iv) engaging in such other activities that are (A) eligible to include in rate base and (B) expected to be eligible to earn a return through rates approved by IURC or FERC; or

(v) engaging in such other activities that the Board deems necessary, convenient or incidental to the conduct, promotion or attainment of the activities described in the foregoing subclauses (i), (ii), (iii) and (iv).

(b) The Company shall not engage in any activity or conduct inconsistent with the Company Business or any reasonable extensions thereof.

Section 1.4 Registered Office. The address of the registered office of the Company in the State of Delaware is 251 Little Falls Drive, Wilmington Delaware, 19808.

Section 1.5 Registered Agent. The name of the registered agent of the Company for service of process on the Company in the State of Delaware is Corporation Service Company.

Section 1.6 Members.

(a) Each of the NiSource Member and the Investor Member is hereby or was heretofore admitted to the Company as a Member, and hereby continues as such. Unless admitted to the Company as a Member as provided in this Agreement, no Person shall be, in fact or for any other purpose, a Member.

(b) No Member shall have any right to withdraw from the Company except as expressly set forth herein. No Membership Interest is redeemable or repurchasable by the Company at the option of a Member. Except as expressly set forth in this Agreement, no event affecting a Member (including dissolution, bankruptcy or insolvency) shall affect its obligations under this Agreement or affect the Company.

(c) The Members' names, addresses and Percentage Interests are set forth on the Schedule of Members attached to this Agreement as Schedule 1.

(d) No Member, acting in its capacity as a Member, shall be entitled to vote on any matter relating to the Company other than as specifically required by the Act or as expressly set forth in this Agreement.

(e) Except as otherwise expressly set forth in this Agreement, any matter requiring the action, consent, vote or other approval of the Members hereunder shall require action, consent, vote or approval of the Members owning at least a majority of the Membership Interests.

(f) A Member shall automatically cease to be a Member upon Transfer of all of such Member's Membership Interests made pursuant to and in accordance with the terms of this Agreement. Immediately upon any such permissible Transfer, the Company shall cause such Member to be removed from Schedule 1 to this Agreement and to be substituted by the transferee or transferees in such Transfer, and, except as otherwise expressly provided for herein, such transferee or transferees shall be deemed to be a "Party" for all purposes hereunder and all references to the NiSource Member or the Investor Member, as the case may be, shall be deemed to be references to such transferee or transferees (notwithstanding, in the case that more than one Person is a transferee of such Membership Interests, that such defined terms as used herein are singular in number).

Section 1.7 Powers. The Company shall have the power and authority to do any and all acts necessary or convenient to or in furtherance of the purposes described in Section 1.3, including all power and authority, statutory or otherwise, possessed by, or which may be conferred upon, limited liability companies under the Laws of the State of Delaware.

Section 1.8 Limited Liability Company Agreement. This Agreement shall constitute the "limited liability company agreement" of the Company for the purposes of the Act. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall control to the fullest extent permitted by the Act and other applicable Law.

Section 1.9 Issuance of Additional Membership Interests. Except for (a) the issuance of any Excluded Membership Interests or (b) the issuance of Membership Interests made pursuant to and in accordance with Section 5.1(c), Article VII, or as otherwise permitted herein, the Company shall not issue any new Membership Interests, or any securities convertible into Membership Interests or other equity interests of the Company, to any Third Party or to the Members other than in accordance with their respective Percentage Interests.

Section 1.10 No State Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. Nothing in this Section 1.10 shall control with respect to income tax treatment of the Company.

ARTICLE II MANAGEMENT

Section 2.1 Directors. Subject to the provisions of the Act and any limitations in this Agreement as to action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed and all its powers shall be exercised by or under the direction of a board of directors (the "Board" and each duly appointed and continuing member thereof from time to time, a "Director"), and no Member, by virtue of having the status of a Member, shall have any management power over the business and affairs of the Company or any actual or apparent authority to enter into Contracts on behalf of, or to otherwise bind, the Company. Without prejudice to such general powers, but subject to the same limitations, the Board shall be empowered to conduct, manage and control the business and affairs of the Company and to make such rules and regulations therefor not inconsistent with applicable Law or this Agreement, as the Board shall deem to be in the best interest of the Company. Each Director is hereby designated as a "manager" of the Company within the meaning of Section 18-101 of the Act.

Section 2.2 Number of Directors; Proportional Appointment Rights.

(a) The authorized number of Directors constituting the Board shall be seven (7) Directors (the "Total Number of Directors").

(b) The Investor Member shall, as of the Effective Date, be entitled to appoint two Directors, and the Investor Member shall retain the right to appoint at least two Directors for so long as it holds at least a 17.5% Percentage Interest. In the event that the Investor Member's Percentage Interest is reduced below 17.5% but remains at or above a 9.9% Percentage Interest, the Investor Member shall retain the right to appoint one Director. In the event that the Investor Member's Percentage Interest is reduced below 9.9%, the Investor Member shall cease to be entitled to appoint a Director. Any Directors appointed by the Investor Member are referred to herein as "Investor Directors". The appointment of any particular proposed Investor Director shall be subject to the NiSource Member's prior written consent of the identity of such individual prior to his or her appointment to the Board; provided however, that the NiSource Member shall not have any consent right over the appointment of a proposed Investor Director that is a Qualified Designee.

(c) In the event that the Investor Member's Percentage Interest decreases below 17.5% or 9.9%, as applicable, if the Investor Member fails to remove an Investor Director concurrently with such decrease in the Investor Member's Percentage Interest to be in compliance with the Investor Member's Director appointment rights set forth in Section 2.2(b), then the NiSource Member may remove such appropriate number of Investor Directors from the Board such that the Investor Member is in compliance with its Director appointment rights set forth in Section 2.2(b), such removal being effective immediately.

(d) The NiSource Member shall be entitled to appoint all of the remaining Total Number of Directors that the Investor Member is not entitled to appoint pursuant to Section 2.2(b). Directors appointed by the NiSource Member are referred to herein as "NiSource Directors"; provided, that any NiSource Director must be a Qualified Designee. The NiSource Member shall further be entitled to designate a NiSource Director to serve as the chairperson of the Board.

(e) For so long as the Investor Member is entitled to appoint an Investor Director, the Investor Member shall be further entitled to designate the Board Observer or any other individual (provided, that such designee is a Qualified Designee) (the "Designated Alternate") in its place and stead in the event that the Investor Director is unable to attend such meeting (or meetings of Board committees, if any pursuant to Section 2.12). The Designated Alternate will be entitled to exercise the powers of the Investor Director at such meetings, and will be subject to all of the responsibilities of an Investor Director hereunder at such meeting as if they were an Investor Director. The appointment of such Designated Alternate shall be subject to the same approval right of the NiSource Member applicable to the Investor Director under Section 2.2(b). If the Designated Alternate is serving in lieu of the Investor Director at any Board or committee meeting, the Investor Member shall provide written notice to the NiSource Member of this fact prior to the commencement of such meeting (which notice may be by way of an email to the NiSource Directors), and such notice shall be recorded in the minutes of such meeting. For the avoidance of doubt, any references to approval or notice by the Investor Director in this Agreement will be deemed to refer to the Investor Director, and not the Designated Alternate, except in respect of the voting on matters presented at the meeting at which the Designated Alternate is attending. In the event that the Designated Alternate is also a Board Observer, at any Board or committee meeting in which he or she is serving as the Investor Director pursuant to this Section 2.2(e), he or she shall be deemed to be serving only as an Investor Director and not as a Board Observer at such meeting.

Section 2.3 Removal of Directors. Any one or more Directors may be removed at any time, with or without cause, by the Member that appointed such Director, and except as provided in Section 2.2(c), may not be removed by any other means. If a Director is convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction), or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, then the Member that appointed such Director shall, unless consented to by the other Member, promptly remove such Director. Delivery of a written notice to the Company by a Member designating for removal of a Director appointed by such Member shall conclusively and with immediate effect constitute the removal of such Director, without the necessity of further action by the Company, the Board, or by the applicable removed Director. Each Director duly appointed by a Member pursuant to and in accordance with the provisions of Section 2.2 shall hold office until his or her resignation, death, permanent disability, removal pursuant to and in accordance with Section 2.2 or with this Section 2.3, or until a successor Director is duly appointed by the Member that appointed (and continues to be entitled to appoint) such Director.

Section 2.4 Vacancies. A vacancy shall be deemed to exist in case of the resignation, death, permanent disability or removal of any Director. The Member entitled to appoint a Director to the vacant directorship may appoint or elect a Director thereto to take office (a) immediately, (b) effective upon the departure of the vacating Director, in the case of a resignation, or (c) at such other later time as may be determined by such Member.

Section 2.5 Acts of the Board; Voting. Except as otherwise expressly set forth in this Agreement (including Section 8.1), a vote of a majority of the Directors present at a duly called and noticed meeting of the Board at which a quorum is present shall be required to authorize or approve any action of the Board. Every act of or decision taken or made by the Directors pursuant to the vote required by this Section 2.5 shall be conclusively regarded as an act of the Board.

Section 2.6 Compensation of Directors. The Board shall have the authority to fix the compensation of Directors for their service to the Company, if any. The Board shall reimburse the Directors for their respective reasonable, documented out-of-pocket expenses incurred for attendance at meetings of the Board consistent with the Company's then-applicable policies related to travel and expenses for directors or executive officers (or, if none exists, such travel and expense policies of Parent). Nothing herein shall be construed to preclude any Director from serving the Company or any of its Affiliates in any other capacity and receiving compensation therefor.

Section 2.7 Meetings of Directors; Notice. Except as provided pursuant to Section 2.10, meetings of the Board, both regular and special, for any purpose or purposes may be called at any time by the Board or by the Company at the request of any Director, by providing at least seven calendar days' written notice to each Director unless the chairperson of the Board determines, acting reasonably, that there is a significant and time sensitive matter that requires shorter notice to be given, in which case a meeting of the Board may be called by giving at least 48 hours' written notice to each Director. Regular Board meetings will be held quarterly. Each notice shall state the purpose(s) of and agenda for the meeting and include all required information, including dial-in numbers or other applicable access information, in order to participate in the meeting by telephonic means, over the internet or by means of any other customary electronic communications equipment. Unless otherwise agreed by unanimous consent of the Board, no proposal shall be put to a vote of the Board unless it has been listed on the agenda for such meeting. Notice of the time and place of meetings shall be delivered personally or by telephone to each Director, or sent by e-mail or other electronic communication to any Director. Any notice given personally or by telephone shall be communicated to the applicable Director. A Director may waive the notice requirement set forth in this Section 2.7 by any means reasonable in the circumstances, including by communication to one or more other Directors, and the presence of a Director at a meeting or the approval by a Director of the minutes thereof shall conclusively constitute a waiver by such Director of such notice requirement.

Section 2.8 Quorum.

(a) Except as otherwise expressly set forth herein, the presence (whether physical, telephonic, over the internet or by means of other customary electronic communications equipment) of a majority of the number of Directors then serving on the Board (without regard to the Total Number of Directors), including at least one Investor Director, at a meeting of the Board shall constitute a quorum of the Board for the transaction of all business thereat; provided, that if quorum fails at two (2) consecutive attempted meetings that are called pertaining to the same subject matter with proper notice due to the failure of the Investor Director(s) to attend, then at the third attempted meeting only a majority of the number of Directors then serving on the Board (without regard to the Total Number of Directors or the attendance of the Investor Director(s)) must be present in person, by telephone or other electronic means or by proxy in order to constitute a quorum for the transaction of business for purposes of conducting only those matters that were included on the agenda for the attempted meetings immediately preceding such third attempted meeting; provided, that, at least twenty-four (24) hours prior written notice of any rescheduled meeting is required to be provided to the other Directors.

(b) If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting, without notice other than announcement at the meeting.

Section 2.9 Place and Method of Meetings.

(a) Meetings of the Board may be held at any place, whether within or outside the State of Delaware or the State of Indiana, and meetings may be held, in whole or in part, by telephonic means, over the internet or by means of any other customary electronic communications equipment. The place at which (or, if applicable, the electronic communication methods by which) a meeting will be held may be specified in the applicable notice of the meeting.

(b) The Directors may participate in meetings of the Board by telephonic means, over the internet or by means of any other customary electronic communications equipment, and, to the fullest extent permitted by applicable Law, shall be deemed to be present at such meeting for all purposes, including for purposes of determining quorum and of voting.

Section 2.10 Action by the Board Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if a number of Directors the vote of whom would be minimally necessary to approve such action at a meeting of the Board shall individually or collectively consent in writing to such action; provided, that in order for such consent to be effective it shall have been provided to all Directors at least forty-eight (48) hours prior to its stated effectiveness, unless such prior notice is waived in writing by the Directors taking any such written action which includes at least one (1) Investor Director. Notwithstanding the foregoing, no action set forth in Section 8.1 that requires the consent of the Investor Member shall be effected by written action entered into pursuant to this Section 2.10 without the Investor Member's written consent. Any written actions of the Board may be in counterparts and transmitted by e-mail and shall be filed with the minutes of the proceedings of the Board. Such written actions shall have the same force and effect as a vote of the Board.

Section 2.11 Duties of Directors. Other than as set forth in Section 9.3, each member of the Board shall have fiduciary duties identical to those of directors of a business corporation organized under the General Corporation Law of the State of Delaware and except to the extent not permitted by applicable Law, no member of the Board shall be personally liable to the Company or its Members for monetary damages for breach of its fiduciary duties in such capacity. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of the Board, otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of the Board.

Section 2.12 Committees. The Board may create one or more committees of the Board, delegate responsibilities, duties and powers to such one or more committees, and appoint Directors to serve thereon. Each Director appointed to serve on any such committee shall serve at the pleasure of the Board, or otherwise in accordance with the terms of the resolution designating the applicable committee. Section 2.4, Section 2.7, Section 2.8, Section 2.9 and Section 2.10 shall each apply to any committee of the Board with the same terms applicable to the Board, *mutatis mutandis*. For each committee of the Board, the Board shall designate one Investor Director to serve on each such committee so long as the Investor Member is entitled to appoint a Director pursuant to Section 2.2.

Section 2.13 Investor Member Board Observer. The Investor Member shall be entitled to appoint one Person (which shall be an individual) to serve as an observer of the Board (the "Board Observer") for so long as (i) the Investor Member is entitled to appoint only one (1) Investor Director, but in no event when the Investor Member is entitled to appoint two (2) Investor Directors or (ii) the Investor Member's Percentage Interest is greater than or equal to 4.9% but in no event if the Investor Member is entitled to appoint two (2) Directors, the identity of whom shall be subject to the prior written consent of the NiSource Member. The Board Observer shall have the right to receive notice of, attend and participate in all meetings of the Board (and any committee thereof) and to receive all information provided to Directors at the same time and in the same manner as provided to such Directors; provided, however, that the Company and the Board will be entitled to withhold access to any portion of the information and to exclude the Board Observer from any portion of any meeting of the Board (or any committee thereof) if the Company or the Board determines in good faith in reliance upon the advice of counsel that access to such information or attendance at such meeting (i) is reasonably necessary to preserve an attorney-client privilege of the Company or the Board or (ii) otherwise implicates any conflict of interest between the Investor Member and a particular matter or transaction under consideration by the Board; provided, however, that the Investor Member shall be notified of any intent to exclude the Board Observer in reliance on clause (ii) above in advance of any meeting from which the Board Observer is to be excluded to the extent reasonably practicable; provided, further, that, any Board Observer that is excluded shall only be excluded for such portion of the meeting during which such conflicted matter or transaction is being discussed. For the avoidance of doubt, the Board Observer shall not have any voting rights with respect to any matter brought before the Board and shall not be counted in any manner with respect to whether a quorum is present at a meeting of the Board, and (without limiting the Company's obligations to provide the Board Observer with notice of meetings of the Board and any committee thereof as set forth in this Section 2.13) no defect in the provision of notice to the Board Observer of any meeting of the Board shall be construed to constitute a defect in the provision of notice to Directors. The Board Observer shall be bound by the same confidentiality obligations as the Directors as set forth in Section 9.6. The Investor Member may cause the Board Observer to resign or appoint a replacement Board Observer from time to time by giving written notice to the Company. In the event that the Investor Member's Percentage Interest becomes less than 4.9%, the Investor Member's rights under this Section 2.13 shall immediately cease. For the avoidance of doubt, the sole purpose of this Section 2.13 is to provide observation rights (subject to the limitations and conditions set forth in this Section 2.13) to an individual Representative of the Investor Member, and in no event will any Board Observer be construed to be a third-party beneficiary of this Agreement, an agent of the Company of any kind or for any purpose, or have any other claim against the Company or the Members in relation to any matter whatsoever.

Section 2.14 Related Party Matters.

(a) The Parties acknowledge that certain Affiliates of the Company provide various services to the Company and its Subsidiaries and that all of such services shall continue in the ordinary course of business. All agreements between any member of the Outside Group, on the one hand, and the Company Group, on the other hand, (such transactions, "Affiliate Agreements"), shall be (i) entered into and carried out in a manner that, except as may be required by any applicable Law or Order, is (A) consistent with past

practices and the corporate allocation and affiliate transaction policies of the Outside Group in effect at such time and (B) on terms and conditions that are pursuant to the corporate allocation policies and affiliate transaction policies of the Outside Group as of such time to the extent that they are non-discriminatory against the Company and its Subsidiaries and are generally consistent with the corporate allocation policies and affiliate transaction policies of the Outside Group, (ii) entered into and carried out in accordance with the requirements of any applicable Law or Order (including, for the avoidance of doubt, on such terms and conditions as may be required to obtain the approval of the applicable Governmental Body in respect of such transaction) and (iii) if applicable pursuant to Section 8.1, approved by the Board. Notwithstanding anything to the contrary in this Agreement, except as required by applicable Law, the NiSource Member shall ensure during the term of this Agreement that any methodologies used to allocate costs to the Company Group (i) are and will be consistently applied to other members of the Outside Group in a manner that does not have a disproportionate adverse impact on the Company or any of its Subsidiaries as compared to any member of the Outside Group and (ii) would not result in any fines or penalties that are imposed on any member of the Outside Group being allocated to the Company or any of its Subsidiaries. The NiSource Member shall also use commercially reasonable efforts to ensure corporate separateness from the NiSource Member and the other members of the Outside Group in a manner and consistent with the Company Group's and the Outside Group's respective past practices and applicable Law and Orders. The NiSource Member shall continue to audit its corporate services annually by its then current auditor in the ordinary course and shall share such audit with Investor Member (including any work papers and other supporting documentation reasonably requested by the Investor Member (subject to its prior execution of a customary non-reliance letter agreement to the extent requested by such auditor)).

(b) The Investor Member acknowledges and agrees that (i) the Company Group and the Outside Group has prior to the Effective Date engaged in Affiliate Agreements, and will, pursuant to and in accordance with the provisions of Section 2.14(a), from and after the Effective Date engage in new Affiliate Agreements, subject to the Investor Member's approval rights under Section 8.1 (if applicable) and (ii) all services provided by any member of the Outside Group to any member of the Company Group as of the Effective Date and (iii) the promissory notes held or payable by the Company's Subsidiary, Northern Indiana Public Service Company LLC ("NIPSCO"), payable to NiSource Development Company, Inc. (the "NiSource Notes") shall or will remain outstanding and be payable in accordance with their terms or sooner as the Board determines in good faith is appropriate.

(c) In the event the Company and/or the NiSource Member becomes aware of any material breach or material default (it being understood that, for purposes of this clause (c), a breach or default will be deemed to be "material" if the reasonably expected amount of damages that would be sustained by the Company and its Affiliates as a result of such breach or default, or series of related breaches or defaults, would exceed \$30,000,000 in the aggregate, subject to an annual increase by the CPI Escalator) by any member of the Company Group or Outside Group under any Affiliate Agreement (an "Affiliate Agreement Default"), the Company and/or the NiSource Member, as applicable, shall promptly, but in any event within ten (10) Business Days after becoming aware of such Affiliate Agreement Default, send a written notice (an "Affiliate Agreement Default Notice") to the Company and the Investor Member setting forth in reasonable detail the nature of such Affiliate Agreement Default and the reasonable estimate of the current and future anticipated losses associated with such Affiliate Transaction Default (to the extent feasible to make a reasonable estimate at such time). After delivery of such Affiliate Agreement Default Notice to the Investor Member, the Company (and, if the Company did not provide the Affiliate Agreement Default Notice, the NiSource Member) shall promptly provide the Investor Member with any additional information reasonably requested by the Investor Member and available to the NiSource Member relating to such Affiliate Agreement Default. The defaulting party under such Affiliate Agreement shall have (i) twenty (20) Business Days following the expiration of the applicable cure period in respect of such Affiliate Agreement, to fully cure any monetary Affiliate Agreement Default, and (ii) sixty (60) days following the expiration of the applicable cure period in respect of such Affiliate Agreement, to fully cure any non-monetary Affiliate Agreement Default, subject to and consistent with applicable

Law and Orders, if capable of being cured. In the event that any material alleged Affiliate Agreement Default is not timely cured in accordance with the preceding sentence, the Investor Member shall have the sole right to cause the Company and its Subsidiaries to take, or refrain from taking, any actions in connection with the enforcement of or compliance with the rights or obligations of the Company or any of its Subsidiaries under the terms of the applicable Affiliate Agreement. In addition to, and not in limitation of, the foregoing provisions of this Section 2.14(c), the Company shall notify the Investor Member prior to, or within ten (10) days following, its execution of any new Affiliate Agreement or any material amendment to any Affiliate Agreement setting forth in reasonable detail the nature of such new Affiliate Agreement or such amendment and, upon request from the Investor Member, shall provide copies of all Contracts relating to such new Affiliate Agreement or such amendment within five (5) Business Days of such request.

ARTICLE III OFFICERS

Section 3.1 Appointment and Tenure.

(a) The Board may, from time to time, designate officers of the Company to carry out the day-to-day business of the Company.

(b) The officers of the Company shall be comprised of one or more individuals designated from time to time by the Board. Each officer shall hold his or her office for such term and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same individual. The salaries or other compensation, if any, of the officers shall be fixed from time to time by the Directors.

(c) The officers of the Company may consist of a president, a secretary and a treasurer. The Board may also designate one or more vice presidents, assistant secretaries and assistant treasurers. The Board may designate such other officers and assistant officers and agents as the Board may deem necessary or appropriate.

Section 3.2 Removal. Any officer may be removed as such at any time by the Board, either with or without cause, in its discretion, subject to the consultation right of the Investor Member set forth in Section 8.2.

Section 3.3 President. The president, if one is designated, shall be the chief executive officer of the Company, shall have general and active management of the day-to-day business and affairs of the Company as authorized from time to time by the Board, and shall be authorized and directed to implement all actions, resolutions, initiatives and business plans adopted by the Board.

Section 3.4 Vice Presidents. The vice presidents, if any are designated, in the order of their election, unless otherwise determined by the Board, shall, in the absence or disability of the president, perform the duties and have the authority and exercise the powers of the president. They shall perform such other duties and have such other authority and powers as the Board may from time to time prescribe.

Section 3.5 Secretary; Assistant Secretaries. The secretary, if one is designated, shall perform such duties and have such powers as the Board may from time to time prescribe. The assistant secretaries, if any are designated, and unless otherwise determined by the Board, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 3.6 Treasurer; Assistant Treasurers. The treasurer, if one is designated, shall have custody of the Company's funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the Board. The treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render the president and the Board, when so directed, an account of all of his or her transactions as treasurer and of the financial condition of the Company. The treasurer shall perform such other duties and have such other powers as the Board may from time to time prescribe. If required by the Board, the treasurer shall give the Company a bond of such type, character and amount as the Board may require. The assistant treasurers, if any are designated, unless otherwise determined by the Board, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 3.7 Duties of Officers. Other than as set forth in Section 9.3 with respect to any Representative of Parent or its Affiliates who is also an officer of the Company, each officer of the Company (in such individual's capacity as an officer) will owe the Company, its Subsidiaries and the Members such fiduciary duties that apply to officers of a Delaware corporation. No provision of this Agreement will be deemed to limit or eliminate such fiduciary duties.

ARTICLE IV DEFAULT; DISSOLUTION

Section 4.1 Events of Default. The following shall constitute events of default (each, an "Event of Default") by the applicable Member under this Agreement:

(a) any material breach of this Agreement by such Member;

(b) any failure by such Member to make any Mandatory Capital Contribution pursuant to and in accordance with a Capital Request Notice issued pursuant to Section 5.1 or, with respect to an Additional Funding Requirement (other than a Mandatory Capital Contribution), a duly authorized officer of the Investor Member has affirmed in writing it would make such Additional Funding Requirement in its Response to Capital Call but failed to do so within the time period set forth in Section 5.1;

(c) any purported Transfer by such Member made other than pursuant to and in accordance with the terms and conditions of this Agreement; and

(d) the filing of a petition seeking relief, or the consent to the entry of a decree or Order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by such Member or by any of its controlling Affiliates.

Section 4.2 Default Notice. If an Event of Default occurs, then any Member (other than the Defaulting Member) may deliver to the Company and to the Member subject to the Event of Default (the "Defaulting Member") a notice of the occurrence of such Event of Default, setting forth the circumstances of such Event of Default. If, within thirty (30) days following the delivery of such notice (or, with respect to an Event of Default set forth in Section 4.1(b), ten (10) days), the Defaulting Member has not cured the event giving rise to the Event of Default (if capable of being so cured), the provisions of this Agreement applicable to a "Defaulting Member" shall apply to such Defaulting Member and, in addition to any other rights and remedies provided under this Agreement, (i) if the Defaulting Member is the Investor Member, the Defaulting Member's voting rights, including its approval rights in Section 8.1, shall be suspended and

(ii) any net Available Cash required to be distributed to the Defaulting Member shall instead be distributed to the non-Defaulting Member, or the Company, as applicable, if such breach is capable of being cured by the payment of such amounts which such clauses (i) and (ii) shall apply as applicable (and such Member shall be considered a “Defaulting Member”) until the applicable Event of Default and the material effects thereof have been cured (if capable of being so cured).

Section 4.3 Dissolution.

(a) Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the Company shall dissolve, and its affairs shall be wound up, upon either (i) the approval by the Board and the written consent of all of the Members or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act (each, an “Event of Dissolution”).

(b) Upon the occurrence of an Event of Dissolution, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Members. No Member, acting in its capacity as such, will take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company’s business and affairs. All covenants contained and obligations provided for in this Agreement will continue to be fully binding upon the Members until such time as the property of the Company has been distributed pursuant to Section 5.3 and the certificate of formation of the Company has been canceled pursuant to the Act.

(c) After the occurrence of an Event of Dissolution, and after all of the Company’s debts, liabilities and obligations have been paid and discharged or adequate reserves have been made therefor and all of the remaining assets of the Company have been distributed to the Members, the Company shall make necessary resolutions and filings to dissolve the Company under the Act.

**ARTICLE V
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS; ALLOCATIONS**

Section 5.1 Capital Contributions.

(a) If the Board determines that it is in the best interests of the Company to obtain additional equity capital for purposes of (i) developing, acquiring or maintaining Qualifying Core Assets or funding ordinary course operations of the Company Business, (ii) satisfying the Company’s obligations to Third Parties (including in respect of the Indebtedness of the Company Group or under any Contract), (iii) complying with applicable Law or Order, or (iv) funding any Emergency Expenditures (any such determination by the Board an “Additional Funding Requirement”), then the Board may direct the Company to submit to the Members a written capital funding request notice (a “Capital Request Notice”), which Capital Request Notice shall set forth (A) the anticipated amount of, and the reason for, such Additional Funding Requirement, (B) each Member’s requested share of such Additional Funding Requirement, which with respect to each Member shall equal such Member’s Percentage Interest multiplied by the aggregate amount of the Additional Funding Requirement (such share, the “Pro Rata Request Amount”) and (C) the funding date for such Additional Funding Requirement (the “Capital Request Funding Date”), which Capital Request Funding Date shall not be earlier than forty-five (45) days following the date on which such Capital Request Notice is delivered to the Members except for any Capital Request Notices pertaining to Emergency Expenditures in which case the Capital Request Funding Date shall not be earlier than ten (10) Business Days. Any Additional Funding Requirements for the period from the Effective Date and including the date that is three (3) years from the Effective Date and which do not exceed the Maximum Investor Commitment shall be a Mandatory Capital Contribution. Any Additional Funding Requirement shall require each Member to contribute its Pro Rata Request Amount. Requests for additional equity capital other than pursuant to a Mandatory Capital Contribution shall be determined by the Board and each

Member may, but shall not be obligated to, contribute its Pro Rata Request Amount as called for in the applicable Capital Request Notices. For the avoidance of doubt, other than a Mandatory Capital Contribution pursuant to this Section 5.1, no Member shall have any obligation to fund any such requests for additional equity capital unless such Member indicates it will do so in accordance with this Section 5.1. Upon the receipt of a Capital Request Notice, each Member shall, within twenty (20) days of such receipt, provide written notice to the Company and the other Members as to the extent to which such Member intends to fund its Pro Rata Request Amount, whether in whole, in part or not at all (a "Response To Capital Call"). If one Member indicates in its Response To Capital Call that it does not intend to fund its Pro Rata Request Amount in full, and any other Member had, prior thereto, submitted a Response To Capital Call indicating that it intends to fund a greater percentage than such other Member of its Pro Rata Request Amount, then such other Member will be entitled to amend its Response To Capital Call to reduce its percentage funding to an amount representing a percentage of its Pro Rata Request Amount not less than the lower percentage indicated in the other Member's Response to Capital Call. If no Response to Capital Call is received within such twenty (20) days, the Member shall be deemed to have elected to not fund.

(b) If any Member refuses or fails to make all or any portion of its Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date (such Member, the "Non-Contributing Member", and the unfunded amount, the "Unfunded Amount"), then the Company shall provide written notice thereof to the other Member (the "Contribution Unfunded Amount Notice"), and:

(i) Excess Contribution. To the extent that the Non-Contributing Member contributes a portion (but less than all) of its Pro Rata Request Amount, and the other Member (the "Over-Contributing Member") has contributed a greater percentage of its Pro Rata Request Amount than the Non-Contributing Member, the Over-Contributing Member shall have the right to elect (which election shall be made by written notice to the Company and the other Members no later than 10 Business Days following the date of the Contribution Unfunded Amount Notice and any may consist of any combination thereof) to (A) receive a special distribution of the amount of such excess (the "Excess Contribution"), such that the Excess Contribution is returned to the Over-Contributing Member (and the Company shall cause such special distribution to be made as promptly as practicable), (B) have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a loan to the Company (consistent with the methodology in clause (ii)(A), below), or (C) except in the event that the Non-Contributing Member is the NiSource Member, have the portion of such Excess Contribution that would have been the Non-Contributing Member's share thereof treated as a contribution to capital (consistent with the methodology in clause (ii)(B), below).

(ii) Top-Up Right. A Member that has paid its full Pro Rata Request Amount (the "Contributing Member") shall have the right (but not the obligation) to elect (which election shall be made by written notice to the Company and the other Members no later than ten (10) Business Days following the receipt of the Contribution Unfunded Amount Notice) to contribute any portion of the Unfunded Amount in accordance with this Section 5.1(b) either (A) as a loan to the Company, or (B) except in the event that the Non-Contributing Member is the NiSource Member, as a capital contribution to the Company (or as any combination thereof as the Contributing Member elects) in accordance with the following procedures:

(A) Loan. The Contributing Member may elect to advance all or a portion of the Unfunded Amount to the Company on behalf of the Non-Contributing Member, which advance shall be treated as a loan by the Contributing Member to the Company (an "Unfunded Amount Loan") at an interest rate equal to a floating rate equal to the Wall Street Journal Prime Rate plus 0.75% per annum. Subject to the terms of this Agreement, each Unfunded Amount Loan shall be repaid out of any subsequent distributions made pursuant to Section 5.2 to which the Non-Contributing Member would otherwise be entitled under this Agreement, and such payments shall be applied first to the payment of accrued but unpaid interest on each such Unfunded Amount Loan and then to the payment of the outstanding principal, until such Unfunded Amount Loan is paid in full.

(B) Capital Contribution. Except in the event that the Non-Contributing Member is the NiSource Member, the Contributing Member may elect to contribute an amount equal to all or a portion of the Unfunded Amount to the Company. If the Contributing Member elects to contribute to the Company all or a portion of the Unfunded Amount, then, on or after the earlier of the date that the Non-Contributing Member indicates it will not cure the failure to fund its full Pro Rata Request Amount and the thirtieth (30th) day following the date of the Contribution Unfunded Amount Notice, the Company shall issue to the Contributing Member the amount of additional Membership Interests that can be purchased for such funded amount at a price per Membership Interest equal to 90% of the Fair Market Value of the Company (measured as of the date that such contribution is to be made) per Membership Interest until the NiSource Member has purchased up to \$250,000,000 of additional Membership Interests pursuant hereto, and thereafter at Fair Market Value of the Company, and the Contributing Member's and the Non-Contributing Member's respective Percentage Interests will be adjusted accordingly. For the avoidance of doubt, this subsection shall in all respects not be subject to the rights and procedures set forth in Section 7.1.

(C) Cure Right. Notwithstanding anything to the contrary in this Section 5.1, on or before the thirtieth (30th) day following the date of the Contribution Unfunded Amount Notice, a Non-Contributing Member may make a contribution to the Company equal to the sum of the Unfunded Amount plus, if the Contributing Member already made an Unfunded Amount Loan in respect of such Unfunded Amount, any interest accrued on the Unfunded Amount Loan, following which (1) the Unfunded Amount advanced by the Contributing Member to the Company together with any such interest shall be paid to the Contributing Member, and (2) the former Non-Contributing Member shall be deemed to have cured its failure to pay the Pro Rata Request Amount prior to the Capital Request Funding Date with respect to the applicable Capital Request Notice.

For the avoidance of doubt, the remedies set forth in this Section 5.1(b)(ii)(C) shall not apply to an Event of Default by the NiSource Member.

(c) If the Non-Contributing Member is the Investor Member and it refuses or fails to make its full Pro Rata Request Amount pursuant to this Section 5.1 on or prior to the applicable Capital Request Funding Date and the Contributing Member has not fully funded the Unfunded Amount in accordance with Section 5.1(b), then on or after the thirtieth (30th) day following the date of the applicable Contribution Unfunded Amount Notice, the Board may authorize the Company to seek additional equity funds on commercially reasonable terms from a Third Party in an amount up to the difference between the total Additional Funding Requirement requested and the total funds received by the Company from the Non-Contributing Member and the Contributing Member (including any additional funds that the Contributing Member may have contributed pursuant to Section 5.1(b)), and to issue Membership Interests to Third Parties in connection therewith pursuant to this Section 5.1(c). The terms and rights of the Membership Interests issued pursuant to this Section 5.1 must be on terms no better than the Membership Interests that would have been issued to the applicable Member had they been a Contributing Member. If the Board determines to seek additional equity funds from and issue Membership Interests to a Third Party pursuant to this Section 5.1(c), then the Company must consummate such issuance within 180 days following the Capital Request Funding Date. If such issuance is not consummated within such 180-day period, then the Company's right to so issue Membership Interests to a Third Party in connection with the applicable Additional Funding Requirement shall be lapsed, and the Company shall not thereafter issue any Membership Interests to a Third Party in connection with such Additional Funding Requirement; provided, that, if a definitive agreement providing for such issuance is executed prior to the expiration of such 180-day period but the issuance has not been consummated at the expiration of such period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of

such issuance, then such period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of such original expiration date and the consummation of the issuance provided for in such definitive agreement; provided, further, that the Company shall have used its reasonable best efforts in seeking such authorizations, approvals and consents. Upon the completion of such issuance of Membership Interests pursuant to this Section 5.1(c), the Company shall give written notice to the Members of such issuance, which notice shall specify (i) the total number of new Membership Interests issued, (ii) the price per Membership Interest at which the Company issued the Membership Interests, and (iii) any other material terms of the issuance. Upon the issuance of new Membership Interests pursuant to this Section 5.1(c), the Contributing Member's and Non-Contributing Member's respective Percentage Interests will be adjusted accordingly. In no event shall any such issuance be subject to Section 7.1 or 8.1.

(d) If a Member does not make a Mandatory Capital Contribution or indicates in its Response to Capital Call that it shall make its Pro Rata Request Amount but then does not fund such amounts, such Member shall be a Defaulting Member.

(e) In the event that there is an Investor Call Trigger, the NiSource Member (or its Affiliate) may (but is not required to), at its option at any time, acquire all (but not less than all) of the Membership Interests held by the Investor Member (the "Call Right") by giving written notice (the "Call Notice") to the Investor Member of its election to exercise the Call Right; provided, that, other than with respect to clause (ii) or (iii) of the definition of Investor Call Trigger, the Investor Member shall have sixty (60) days following the Call Notice to cure the event giving rise to the Call Notice, if capable of being so cured (the "Cure Period"). The purchase price payable by the NiSource Member in connection with the exercise of the Call Right shall be equal to the product of (i) with respect to an Investor Call Trigger pursuant to clause (i) of the definition thereof, 90% of the Fair Market Value of the Company, (ii) with respect to an Investor Call Trigger pursuant to clause (ii) of the definition thereof, 100% of the Fair Market Value of the Company and (iii) with respect to an Investor Call Trigger pursuant to clause (iii) of the definition thereof, the greater of 100% of the Fair Market Value of the Company or such amount which would satisfy the Spin Return Threshold, (in each case, measured as of the date of the delivery of the Call Notice to the Investor Member) multiplied (ii) by a fraction, (A) the numerator of which is the number of Membership Interests that the Investor Member owns at such time and (B) the denominator of which is the total number of Membership Interests then outstanding (the amount equal to such product, the "Call Exercise Price"). If the Call Right is exercised by the NiSource Member, each of the Parties shall take all actions as may be reasonably necessary to consummate the transactions contemplated by this Section 5.1(e) as promptly as practicable, but in any event not later than thirty (30) days after the end of the Cure Period, or so long as necessary to obtain all required authorizations, approvals, or consents (such period, the "Call Consummation Period"), including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary; provided, that, with respect to an Investor Call Trigger pursuant to clause (iii) of the definition thereof, the closing of the Call Right shall occur concurrently with or immediately prior to the underlying spin-off, split-off or similar transaction giving rise to the Call Right. If the Investor Member fails to take all actions necessary to consummate the Transfer of the Membership Interests held by it in accordance with this Section 5.1(e) prior to the expiration of the Call Consummation Period, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV and for all other purposes hereunder, shall be deemed a Defaulting Member, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the NiSource Member to be the Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Membership Interest to the Company as the holder thereof, in each case consistent with the provisions of this Section 5.1(e). At the consummation of any purchase and sale pursuant to this Section 5.1(e), the Investor Member shall sell to the NiSource Member all of the Membership Interests owned by the Investor Member in exchange for the Call Exercise Price. Contemporaneously with its receipt

from the NiSource Member of the Call Exercise Price, the Investor Member shall Transfer to the NiSource Member all of the Membership Interests owned by the Investor Member, free and clear of all Liens. The Members and the Company acknowledge and agree that they shall cooperate reasonably to obtain any necessary authorization, approval or consent of any Governmental Body to consummate the transactions contemplated by this Section 5.1(e). For the avoidance of doubt, in the event the Call Right is exercised, the Investor Member may request the Fair Market Value be determined in accordance with Section 13.15, regardless of the Investor Member's Percentage Interest at such time.

(f) The Investor Member has delivered to the Company on the Effective Date the Equity Commitment Letter. In the event the Investor Member fails to make any Mandatory Capital Contribution from the Effective Date to and including the third (3rd) anniversary of the Effective Date, and so long as the Maximum Investor Commitment has not been fully paid, the Company shall be entitled to enforce the Equity Commitment Letter for any portion of the Investor Member's Pro Rata Request Amount, in addition to the other remedies provided herein (with the Directors appointed by the Investor Member abstaining from determining any such enforcement).

(g) Notwithstanding anything contained herein to the contrary, to the extent the Company does not distribute one hundred percent (100%) of the Purchase Price (as defined in the PSA) to the NiSource Member on or after the Effective Date (any such shortfall, the "NiSource Shortfall Amount"), the NiSource Member shall have no obligation with respect to any Additional Funding Requirement pursuant to Section 5.1(a) unless or until the cumulative amount of any Additional Funding Requirement otherwise imposed upon the NiSource Member exceeds the NiSource Shortfall Amount, if any. For the avoidance of doubt, the NiSource Shortfall Amount, if any, shall in no way affect the Members' Percentage Interests herein, and the NiSource Shortfall Amount, if any, shall not be Available Cash subject to distribution to the Members pursuant to Section 5.2.

Section 5.2 Distributions Generally.

(a) Except as otherwise provided herein and subject to Section 5.2(b), Section 5.2(c), and the Act, no later than seventy-five (75) days after the end of each fiscal quarter, the Company shall make distributions in cash of all its Available Cash in respect of such fiscal quarter. The Company may make such other more frequent distributions (including interim distributions) at such times and in such amounts as the Board may determine.

(b) Except as otherwise provided herein, all distributions shall be paid to the Members only in cash and in the same proportion as their respective Percentage Interest; provided, that, in the case of distributions to be paid in respect of any period during which the Percentage Interest of the Members changed, such distributions shall be prorated to reflect the Percentage Interest of the Members on each day of such measurement period, and the Company and the Members shall take such action as necessary to effectuate such proration.

(c) With respect to each taxable year, at such times necessary to allow the Members to timely satisfy all of their U.S. federal, state and local and non-U.S. tax liabilities, prior to any distributions pursuant to Section 5.2(a) and subject to Available Cash and any restrictions contained in any loan agreement or other contract to which the Company is a party or by which it is bound, the Company shall make cash distributions ("Tax Distributions") to each Member equal to such Member's quarterly Assumed Tax Liability determined based on the Board's good faith estimate of the projected Profits for such taxable year; provided, however, that to the extent a Member would otherwise be entitled to receive less than its Percentage Interest of the aggregate Tax Distributions to be paid pursuant to this Section 5.2(c) on any given date, then the Tax Distributions to such Member shall be increased, as necessary, to ensure that all such Tax Distributions made pursuant to this Section 5.2(c) are made pro rata in accordance with the

Members' respective Percentage Interests. The Company and the Board shall not have any liability to any Member for penalties arising from non-payment or incorrect estimates of such Member's estimated tax payments. Any distributions made pursuant to this Section 5.2(c) shall be treated for purposes of this Agreement as having been distributed pursuant to Section 5.2(a) and shall reduce, dollar-for-dollar, the amount otherwise distributable to such Member pursuant to Section 5.2(a). To the extent the Company does not have sufficient funds and thereby is unable to pay to the Members the full amount of any Tax Distribution otherwise payable pursuant to this Section 5.2(c), the Company shall pay the amount of such shortfall to the Members (pro rata, in accordance with the amount of any such shortfall then owing to such Members) as promptly thereafter as such funds become available. If with respect to any taxable year, the aggregate amount of distributions made to a Member under this Section 5.2(c) is in excess of the amount that would result from the application of this Section 5.2(c) to the entire taxable year, then the amount of such excess shall be treated as an advance against, and shall reduce the amount of, any future distributions made with respect to such Member pursuant to this Section 5.2(c), but shall not reduce Tax Distributions made to a Member to provide such Member with its pro rata Percentage Interest of Tax Distributions.

(d) Notwithstanding the terms of this Section 5.2 and any other provision of this Agreement, (i) the Company shall not make any distribution to any Member on account of its Membership Interests to the extent such distribution would violate the Act, other applicable Law or an Order, and (ii) a Member may direct the payment of part or all of any distribution to another Person by providing written notice of such direction to the Company.

Section 5.3 Distributions upon the Occurrence of an Event of Dissolution. Upon the occurrence of an Event of Dissolution, the Board will proceed, subject to the provisions herein, to wind up the affairs of the Company, liquidate and distribute the remaining assets of the Company (provided, however, that all distributions shall be paid to the Members only in cash and in accordance with the following order of priority: (i) first, to the NiSource Member to the extent the NiSource Shortfall Amount, if any, exceeds the cumulative amount of any Additional Funding Requirement otherwise imposed upon the NiSource Member pursuant to Section 5.1(a), and (ii) second, to the Members in accordance with their Percentage Interests) and apply the proceeds of such liquidation in the order of priority in accordance with Section 18-804 of the Act or as may otherwise be agreed to by the Members; provided, however, that notwithstanding anything contained herein to the contrary, the NiSource Notes shall be paid first. If the assets of the Company remaining after the payment or discharge of all debts and liabilities of the Company are insufficient to return capital contributions of each Member, such Member shall have no recourse against the Company or any other Member.

Section 5.4 Capital Accounts.

(a) A separate Capital Account for each Member shall be established on the books and records of the Company in compliance with Section 704(b) of the Code and the Treasury Regulations. The initial Capital Accounts of each Member are set forth on Schedule 1. This Section 5.4(a) and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation Sections 1.704-1(b) and 1.704-2, and shall be interpreted and applied in a manner consistent with such Treasury Regulation, as determined by the Board in its reasonable discretion.

(b) No Member shall be required to pay to any other Member or the Company any deficit or negative balance which may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

Section 5.5 Withdrawal of Capital; Interest. Except as expressly provided in this Agreement, (a) no Member may withdraw capital or receive any distributions from the Company and (b) no interest shall be paid by the Company on any capital contribution or distribution.

Section 5.6 Allocation of Profits and Losses.

(a) Subject to Section 5.6(b), and after the application of the allocation rules in Section 5.7, Profits and Losses and, if the Board in its discretion determines it to be necessary, individual items thereof, for an Allocation Year (or other relevant period) shall be allocated among the Members for such Allocation Year (or other relevant period) in a manner determined by the Board so as to produce, as nearly as possible, the sum of (a) the Capital Account balance for each Member at the end of such Allocation Year (or other relevant period) and (b) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, if any, equal to the hypothetical cash that would be distributed to such Member if (x) the Company were dissolved, its affairs wound up and its assets sold for an amount of hypothetical cash equal to the sum of the Gross Asset Values of the assets at the end of such Allocation Year (or other relevant period), (y) the Company paid all of its liabilities in accordance with their terms up to the amount of the hypothetical cash (limited with respect to each Nonrecourse Liability to the Gross Asset Value of the asset securing such liability), and (z) the remaining hypothetical cash from the deemed sale were immediately distributed to the Members in accordance with Section 5.3.

(b) Notwithstanding the foregoing provisions of Section 5.6(a), the Losses (or items of expense or deduction or loss) allocated pursuant to Section 5.6(a) shall not exceed the maximum amount that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year (or other relevant period). In the event some, but not all, of the Members would have an Adjusted Capital Account Deficit as a consequence of an allocation of Losses pursuant to Section 5.6(a), the limitation set forth in this Section 5.6(b) shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(d). All Losses (or items of expense or deduction or loss) in excess of the limitation set forth in this Section 5.6(b) shall be allocated to other Members in accordance with the positive balances in such Members' Adjusted Capital Accounts so as to allocate the maximum permissible Losses to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(d).

Section 5.7 Special Allocations. Any allocation of Profits and Losses (or items thereof) for purposes of maintaining Capital Accounts will, however, be subject to any adjustment required to comply with Treasury Regulations Sections 1.704-1 and 1.704-2, including the following adjustments and special allocations which shall be made in the following order of priority and prior to any allocation under Section 5.6(a):

(a) Except as otherwise provided in Treasury Regulations Section 1.704-2(f), notwithstanding any other provision of this Article V, if there is a net decrease in Company Minimum Gain during an Allocation Year (or other relevant period), then each Member shall be specially allocated items of Company income and gain for such Allocation Year (or other relevant period) (and, if necessary, for subsequent Allocation Years (or other relevant periods)) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.7(a) is intended to comply with the minimum gain chargeback requirement of Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Article V, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Year (or other relevant period), then each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Allocation

Year (or other relevant period) (and, if necessary, for subsequent Allocation Years (or other relevant periods)) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in a manner consistent with the provisions of Treasury Regulations Section 1.704-2(i)(4). The items to be allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.7(b) is intended to comply with the Member nonrecourse debt minimum gain chargeback requirement of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) If any Member unexpectedly receives an adjustment, allocation, or distribution of the type contemplated by Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6) resulting in, or increasing, an Adjusted Capital Account Deficit for such Member, then items of Company income and gain shall be specially allocated to all such Members in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.7(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.7(c) were not in this Agreement. It is intended that this Section 5.7(c) qualify and be construed as a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) If any Member has an Adjusted Capital Account Deficit at the end of any Allocation Year (or other relevant period) in excess of the sum of (A) the amount such Member is required to restore pursuant to the provisions of this Agreement and (B) the amount such Member is deemed obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such deficit as quickly as possible; provided, however, that an allocation pursuant to this Section 5.7(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 5.7 have been tentatively made as if Section 5.7(c) and this Section 5.7(d) were not in this Agreement.

(e) To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its Membership Interest, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m).

(f) The Nonrecourse Deductions for each Allocation Year (or other relevant period) shall be allocated to the Members in proportion to their relative Percentage Interests.

(g) The Member Nonrecourse Deductions shall be allocated each Allocation Year (or other relevant period) to the Member that bears the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) for the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable.

(h) The allocations set forth in Section 5.7(a) through Section 5.7(g) (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the parties to this Agreement that, to the extent possible, all Regulatory Allocations will be offset in the current Allocation Year or future Allocation Years either with other Regulatory Allocations

or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Article V. Therefore, notwithstanding any other provision of this Section 5.7(h) (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss, or deduction (to the extent permissible) among the Members so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 5.6(a).

Section 5.8 Other Allocation Rules for Profits and Losses for Capital Accounts.

(a) In the event Members are admitted to the Company pursuant to this Agreement on different dates, the Company items of income, gain, loss, deduction, and credit allocated to the Members for each Allocation Year during which Members are so admitted shall be allocated among the Members in proportion to their respective interests during such Allocation Year using any reasonable convention permitted by Section 706 of the Code and selected by the Board (or its designee).

(b) In the event a Member transfers its Membership Interests during an Allocation Year, the allocation of Company items of income, gain, loss, deduction, and credit allocated to such Member and its transferee for such Allocation Year shall be made between such Member and its transferee in accordance with Section 706 of the Code using any reasonable convention permitted by Section 706 of the Code and selected by the Board (or its designee).

Section 5.9 Tax Allocations; Code Section 704(c) Allocations.

(a) Except as provided in this Section 5.9, for income tax purposes under the Code and the Treasury Regulations each Company item of income, gain, loss, deduction and credit shall be allocated among the Members in the same manner as its correlative item of Profit and Loss for the Allocation Year (or other relevant period).

(b) In accordance with Code Section 704(c) and the Treasury Regulations, items of income, gain, loss, and deduction with respect to any property of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted tax basis of such property and its initial Gross Asset Value pursuant to any permissible method under the Treasury Regulations as may be determined by the Partnership Representative in its discretion; provided, however, with respect to any Company asset that is contributed to the Company with a Gross Asset Value that varies from its basis in the hands of the contributing Member immediately preceding the date of contribution shall be allocated among the Members for income tax purposes using the "traditional method," with no "curative allocation" of income or gain to offset any "shortfall" in depreciation that results by reason of the use of the "traditional method," as defined in Treasury Regulations Section 1.704-3(b), including upon sale of any property or upon the a subsequent issuance of additional membership interests, an in-kind contribution of property to the Company in exchange for membership interest, or a redemption of membership interests.

(c) If any portion of gain recognized from the disposition of assets by the Company represents the "recapture" of previously allocated deductions by virtue of the application of Code Section 1245 or 1250 (the "Recapture Gain"), such Recapture Gain shall be allocated, solely for income tax purposes, in accordance with Treasury Regulations Sections 1.1245-1(e)(2) and (3) and 1.1250-1(f).

(d) Tax credits and tax credit recapture shall be allocated among the Members in accordance with any reasonable method selected by the Board (or its designee) that is permitted by applicable tax laws.

(e) Unless otherwise provided in this Section 5.9, any material elections or other decisions relating to allocations for income tax purposes, including selecting any allocation method under Treasury Regulation Section 1.704-3, shall be made by the Board and shall reflect the economic intent of parties.

(f) Allocations pursuant to this Section 5.9 are solely for income tax purposes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account.

Section 5.10 Allocation of Liabilities. The liabilities of the Company shall be allocated to the Members in any manner permitted under Code Section 752 and Treasury Regulations promulgated thereunder and as selected by the Board (or its designee); provided, however, for the avoidance of doubt, NIPSCO's intercompany debt payable to Parent as of Closing is recourse debt and shall be allocated one hundred percent (100%) to NIPSCO Holdings I under Treasury Regulations Section 1.752-2(c) for disguised sale and basis purposes.

Section 5.11 Compliance with Tax Laws. The allocation rules set forth in Section 5.6 through Section 5.10 are intended to comply with the Code and Treasury Regulations and to ensure that all allocations under this Article V are respected for United States federal income tax purposes and shall be interpreted consistently with such intent. If, for any reason, the Board determines that any provision of Section 5.6 through Section 5.10 does not comply with the Code or Treasury Regulations or that the allocations under this Article V may not be respected for United States federal income tax purposes, the Board may, subject to the next sentence, take all reasonable actions, including amending this Article V or adjusting a Member's Capital Account or how Capital Accounts are maintained, to ensure compliance with the Code and Treasury Regulations and that the allocations provided for in this Article V shall be respected for United States federal income tax purposes. Nothing in this Section 5.11 shall permit any changes to the provisions of Section 5.2 or Section 5.3.

ARTICLE VI TRANSFERS OF MEMBERSHIP INTERESTS

Section 6.1 General Restriction.

(a) No Member shall Transfer any of its Membership Interests except pursuant to and in accordance with this Article VI. Any purported Transfer by any Member of its Membership Interests in violation of this Section 6.1(a), or without compliance in all respects with the provisions of this Article VI pertaining to such purported Transfer, shall be invalid and void ab initio, and such purported Transfer by such Member shall constitute a material breach of this Agreement for purposes of Article VI.

(b) Subject to Section 6.2, neither the Investor Member nor the NiSource Member may Transfer any of its Membership Interests to any Person prior to the date that is the third (3rd) anniversary of the Effective Date (the "Lock-Up Period"), other than (i) in connection with any spin off, split off or similar transaction of the Company, the NiSource Member or NIPSCO, or any of their Affiliates, in each case, subject to the NiSource Member's compliance with Section 5.1(e) or Section 6.5 and the satisfaction of the Spin Return Threshold, or (ii) with the prior written consent of the NiSource Member or the Investor Member, as applicable. After the expiration of the Lock-Up Period, each of the Investor Member and the NiSource Member, as applicable, may Transfer its Membership Interests in accordance with this Article VI. Notwithstanding the forgoing, each of the Members may at any time Transfer Membership Interests in compliance with Section 6.2.

(c) Transfers by Members in accordance with and pursuant to this Article VI shall entitle each applicable transferee to the rights and obligations of the transferor under this Agreement.

(d) The Investor Member and the NiSource Member acknowledge any indirect Transfers of any Member's Membership Interest shall be deemed a Transfer by such Member hereunder. The Parent has joined this Agreement solely for the purpose of acknowledging the obligations of the NiSource Member under this Article VI.

Section 6.2 Transfers to Permitted Transferees; Liens by Members.

(a) Notwithstanding Section 6.1, each of the Members may Transfer at any time all or any portion of the Membership Interests held by it to any one of its Permitted Transferees; provided, that, in connection with any such Transfer, (a) such Permitted Transferee shall, in writing, assume all of the rights and obligations of the transferring Member as a Member under this Agreement and as a Party hereto with respect to the Transferred Membership Interests, (b) such Permitted Transferee is as creditworthy as the transferring Member and provides evidence thereof to the non-transferring Member, (c) the transferring Member remains liable for all liabilities and obligations of the Permitted Transferee, and (d) effective provision shall be made whereby such Permitted Transferee shall be required, prior to the time when it shall cease to be a Permitted Transferee of the transferring Member, to Transfer such Membership Interests to the transferring Member or to another Person that would be a Permitted Transferee of the transferring Member as of such applicable time. In the event that a Member (including, as the case may be, a Permitted Transferee) intends to Transfer its Membership Interests to a Permitted Transferee, such transferring Member or the Permitted Transferee, as applicable, shall notify the other Member and the Company of the intended Transfer at least twenty (20) Business Days prior to the intended Transfer.

(b) Each Member shall be permitted to directly or indirectly Encumber its Membership Interests or any equity interests in such Member in connection with any debt financing, the proceeds of which have been or will be used by such Member to finance its purchase of such Membership Interests (whether in respect of an issuance of new Membership Interests by the Company or the purchase of existing Membership Interests from a Member or the refinancing of any such debt financing in the future), to fund the capital expenditure needs of the Company and its Subsidiaries or to fund its capital needs for any Mandatory Capital Contribution and neither such Lien nor any commencement or consummation of foreclosure proceedings or exercise of foreclosure remedies by a secured party on a Member's Membership Interests Encumbered in connection with any such debt financing shall, in either case, be considered a "Transfer" for any purpose under this Agreement; provided, that (i) such Member shall be obligated to promptly notify the other Member and the Company in writing following the commencement of any such foreclosure remedies or proceedings, (ii) in the event of the consummation of such a foreclosure, such Member will automatically cease to be deemed the owner of the Membership Interests so foreclosed and will cease to have any rights in respect thereof (with the financing source foreclosing on such Membership Interests succeeding to the rights and responsibilities of the Member hereunder), and (iii) the consummation of any such foreclosure will be subject to the receipt of any required authorization, approval or consent of all applicable Governmental Bodies; provided, further, following exercise of any foreclosure or similar rights, such lender or similar Person may not further Transfer such Membership Interests without complying with this Article VI, including, Section 6.3.

Section 6.3 Right of First Offer.

(a) Prior to any Transfer by a Member (each, a "Transferring Member") of all or any portion of its Membership Interests other than to a Permitted Transferee of such Transferring Member, the Transferring Member must first offer to sell to the other Member (the "Non-Transferring Member") all of its Membership Interests that it desires to sell (such Membership Interests to be offered for sale to the Non-Transferring Member pursuant to this Section 6.3, the "Subject Membership Interests"), in each case, in accordance with the procedures set forth in the provisions of this Section 6.3.

(i) The Transferring Member shall first deliver to the Non-Transferring Member a written notice which shall be a binding offer (a “Sale Notice”) setting forth the cash price and all of the other material terms and conditions at which the Transferring Member is willing to sell the Subject Membership Interests to the Non-Transferring Member, which notice shall constitute an offer to the Non-Transferring Member to effect such purchase and sale on the terms set forth therein. Any such Sale Notice shall be firm, not subject to withdrawal and prepared and delivered in good faith. Within ninety (90) days following its receipt of a Sale Notice, the Non-Transferring Member may accept the Transferring Member’s offer and purchase the Subject Membership Interests at the cash price and upon the other material terms and conditions set forth in the Sale Notice, in which event the closing of the purchase and sale of the Subject Membership Interests will take place as promptly as practicable, subject to customary closing conditions, including the receipt of required regulatory approvals. The Sale Notice shall contain representations and warranties by the Transferring Member to the Non-Transferring Member that (A) the Transferring Member has full right, title and interest in and to the Subject Membership Interests, (B) the Transferring Member has all the necessary power and authority and has taken all necessary action to Transfer the Subject Membership Interests to the Non-Transferring Member as contemplated by this Section 6.3, and (C) the Subject Membership Interests are free and clear of any and all Liens other than those arising as a result of or under the terms of this Agreement and those arising under securities Laws of general applicability pertaining to limitations on the transfer of unregistered securities or (D) such other customary representations and warranties.

(ii) If the Non-Transferring Member does not accept the Transferring Member’s offer within such ninety (90)-day period, then the Transferring Member will, for a period of 180 days commencing on the earlier of (A) the expiration of such ninety (90)-day period and (B) the delivery of a written notice by the Non-Transferring Member to the Transferring Member rejecting the offer set forth in the Sale Notice (if any) (such 180-day period, the “Sale Period”), be entitled to sell the Subject Membership Interests to any one Third Party at the same or higher price and upon other terms and conditions (excluding price) that are not more favorable to the acquiror than those specified in the Sale Notice, subject to the other terms of this Section 6.3. If such sale to any Third Party is not completed prior to the expiration of the Sale Period, then the process initiated by the delivery of the Sale Notice shall be lapsed, and the Transferring Member will be required to repeat the process set forth in this Section 6.3 before entering into any agreement with respect to, or consummating, any sale of Membership Interests to any Third Party; provided, that if a definitive agreement providing for the consummation of such sale is executed within the Sale Period but such sale has not been consummated at the expiration of the Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such sale, then the Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Sale Period and the consummation of the sale provided for in such definitive agreement; provided, that the Transferring Member shall have used efforts in seeking such authorizations, approvals and consents, consistent with its obligations under such definitive agreements in respect thereof.

(b) The Investor Member and its Permitted Transferees (if any) shall not be permitted to Transfer any of their Membership Interests to a Prohibited Competitor without the prior written consent of the NiSource Member. Within ten (10) Business Days after January 1, 2024 (and each year thereafter during the ten (10) Business Day period beginning on January 1 of the applicable year), the NiSource Member shall have the right (i) to update the list of Prohibited Competitors set forth on Appendix (A) to replace no more than three (3) of the Prohibited Competitors with other Competitors designated by the NiSource Member, and (ii) in addition to any replacements pursuant to clause (i), to add up to two (2) additional Competitors designated by the NiSource Member to such list.

(c) No Transfer of Membership Interests by the Investor Member to any Third Party pursuant to Section 6.3(a)(ii) may be effected if it would, or would reasonably be expected to in the reasonable and good faith determination of the NiSource Member in consultation with the Board, (i) have a material and adverse effect on the Company Group or (ii) create a material risk of a material adverse regulatory consequence on any member of the Company Group or the Outside Group as a result of the identity of the Third Party transferee, any action taken or reasonably expected to be taken by any Governmental Body with respect to such Transfer or change in Tax status of any Person caused or reasonably expected to be caused by such Transfer, any terms or conditions of such Transfer, any requirement that the Membership Interests be registered under any applicable securities Laws in connection with or as a result of such Transfer, or any other similar matter. For purposes of this Section 6.3 and Section 6.4, “control” means (x) the ownership of at least a majority of the issued and outstanding Membership Interests of the Company, or (y) the ability to elect, directly or indirectly, a majority of the Directors of the Company in accordance with this Agreement.

(d) Prior to the consummation of any Transfer pursuant to Section 6.3(a)(ii), the Transferring Member shall have delivered to the Board and the Non-Transferring Member evidence reasonably satisfactory to the Board (with the Directors appointed by the Transferring Member abstaining from any such determination) and to the Non-Transferring Member that (i) the transferee is a Qualified Transferee and (ii) the Transfer complies with the provisions of Section 6.3(b) (if applicable) and Section 6.3(c).

Section 6.4 Tag-Along Rights.

(a) Other than with respect to a Transfer proposed and made in accordance with Section 6.5, in the event that the NiSource Member proposes to effect a Transfer to a Third Party transferee (the “Tag-Along Buyer”) of a number of its Membership Interests constituting more than 25% of the total Membership Interests then outstanding (a “Tag-Along Sale”), then the NiSource Member shall give the Investor Member written notice (a “Tag-Along Notice”) of such proposed Transfer at least thirty (30) days prior to the consummation of such Tag-Along Sale, setting forth (w) the number of Membership Interests (“Tag-Along Offered Membership Interests”) proposed to be Transferred to the Tag-Along Buyer and the purchase price, (x) the identity of the Tag-Along Buyer, (y) any other material terms and conditions of the proposed Transfer and (z) the intended dates on which the NiSource Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(b) Upon delivery of a Tag-Along Notice, the Investor Member shall have the right, to sell up to its Tag Portion, at the same price per Membership Interest, for the same form of consideration and pursuant to the same terms and conditions (including time of payment) as set forth in the Tag-Along Notice (or, if different, as such are applicable at the time of the entry into a definitive agreement in respect of, or at the time of the consummation of, the Tag-Along Sale). If the Investor Member wishes to participate in the Tag-Along Sale, then the Investor Member shall provide written notice to the NiSource Member no less than forty-five (45) days after the date of the Tag-Along Notice, indicating such election. Such notice shall set forth the number of its Membership Interests that the Investor Member elects to include in the Tag-Along Sale (which number shall not exceed its Tag Portion), and such notice shall constitute the Investor Member’s binding agreement to sell such Membership Interests on the terms and subject to the conditions applicable to the Tag-Along Sale.

(c) Any Transfer of the Investor Member’s Membership Interests in a Tag-Along Sale shall be on the same terms and conditions as the Transfer of the NiSource Member’s Membership Interests in such Tag-Along Sale, except as otherwise provided in this Section 6.4(c). The Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member’s Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, the Investor Member’s Membership Interests and shall indemnify and hold harmless, to the fullest extent

permitted by applicable Law, the Tag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any breach of any representation or warranty made by, or agreements, understandings or covenants of the Investor Member, as the case may be, under the terms of the agreements relating to such Transfer of Investor Member's Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Tag-Along Buyer provided by the NiSource Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the NiSource Member and the Investor Member) be expressly stated to be several but not joint and the NiSource Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Membership Interests of any other Member and shall not, in any event, be liable for more than its pro rata share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the NiSource Member, (iii) the Investor Member shall not be obligated to agree to any non-customary administrative covenants (such as any non-compete covenants that would restrict its or its Affiliates' business activities), and (iv) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Tag-Along Sale.

(d) Notwithstanding the foregoing, and for the avoidance of doubt, the Investor Member shall not be entitled to Transfer its Membership Interests pursuant to this Section 6.4 in the event that, notwithstanding delivery of a written notice of election to participate in such Tag-Along Sale pursuant to this Section 6.4, the Investor Member fails to consummate the Transfer of its Membership Interests (on the terms and conditions required by this Section 6.4) in the applicable Tag-Along Sale.

(e) For the avoidance of doubt, the rights conferred to the Investor Member under this Section 6.4 do not apply in the event of a Change in Control of the NiSource Member.

Section 6.5 Drag-Along Rights.

(a) Following the end of the Lock-Up Period, except for the exclusions set forth in Section 6.1(b) thereto, in the event that the NiSource Member intends to effect a sale of all or any portion of the Membership Interests owned by the NiSource Member and such Membership Interests constitute at least a majority of the issued and outstanding Membership Interests of the Company (a "Drag-Along Sale"), then the NiSource Member shall have the option (but not the obligation) to require the Investor Member to Transfer all of its Membership Interests to the Third Party buyer (the "Drag-Along Buyer") (or to such other Party as the Drag-Along Buyer directs) in accordance with the provisions of this Section 6.5 (such right of the NiSource Member, the "Drag-Along Right").

(b) If the NiSource Member elects to exercise the Drag-Along Right pursuant to Section 6.5(a), then the NiSource Member shall send a written notice to the Investor Member (a "Drag-Along Notice") specifying (i) that the Investor Member is required to Transfer all of its Membership Interests pursuant to this Section 6.5, (ii) the amount and form of consideration payable for the Investor Member's Membership Interests, (iii) the name of the Third Party to which the Investor Member's Membership Interests are to be Transferred (or which is otherwise entitled to direct the disposition thereof at the consummation of the Drag-Along Sale), (iv) any other material terms and conditions of the proposed Transfer and (v) the intended dates on which the NiSource Member will enter into a definitive agreement in respect of such proposed Transfer and consummate such proposed Transfer.

(c) In the event that the NiSource Member elects to exercise the Drag-Along Right, then the Investor Member hereby agrees with respect to all Membership Interests it holds:

(i) in the event such transaction requires the approval of Members, to vote (in person, by proxy or by action by written consent, as applicable) all of its Membership Interests in favor of such Drag-Along Sale;

(ii) to execute and deliver all related documentation and take such other action reasonably necessary to enter into definitive agreements in respect of and to consummate the proposed Drag-Along Sale in accordance with, and subject to the terms of, this Section 6.5; and

(iii) not to deposit its Membership Interests in a voting trust or subject any Membership Interests to any arrangement or agreement with respect to the voting of such Membership Interests, unless specifically requested to do so by the Drag-Along Buyer in connection with a Drag-Along Sale.

(d) Subject to Section 6.5(e), any Transfer of the Investor Member's Membership Interests in a Drag-Along Sale shall be on the same terms and conditions as the proposed Transfer of the NiSource Member's Membership Interests in the Drag-Along Sale. Upon the request of the NiSource Member, the Investor Member shall be required to make customary representations and warranties in connection with the Transfer of the Investor Member's Membership Interests, including as to its ownership and authority to Transfer, free and clear of all Liens, its Membership Interests, and shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, the Drag-Along Buyer against all losses of whatever nature arising out of, in connection with or related to any breach of any representation or warranty made by, or agreements, understandings or covenants of the Investor Member as the case may be, under the terms of the agreements relating to such Transfer of the Investor Member's Membership Interests, in each case not to exceed the equivalent obligations to indemnify and hold harmless the Drag-Along Buyer provided by the NiSource Member; provided, that (i) liability for misrepresentation or indemnity shall (as between the NiSource Member and the Investor Member) be expressly stated to be several but not joint and the NiSource Member and the Investor Member shall not be liable for any breach of covenants or representations or warranties as to the Membership Interests of any other Member and shall not, in any event, be liable for more than its pro rata share (based on the proceeds to be received) of any liability for misrepresentation or indemnity, (ii) the Investor Member shall benefit from any releases of sellers or other provisions in the transaction documentation of general applicability to sellers to the same extent as the NiSource Member and (iii) the Investor Member shall not be obligated to provide indemnification obligations that exceed its proceeds from the Drag-Along Sale.

(e) Any Transfer required to be made by the Investor Member pursuant to this Section 6.5 shall be for consideration consisting of cash or cash equivalents (or a combination thereof). Without the consent of the Investor Member, the Investor Member shall not be required in connection with such Drag-Along Sale to agree to any material indemnification obligations, material, non-customary administrative covenants (including, but not limited to, restrictive covenants (such as non-solicit and non-compete covenants) that would restrict its or its Affiliates' business activities).

(f) At the consummation of the Drag-Along Sale, the Investor Member shall Transfer all of its Membership Interests to the Drag-Along Buyer (or its designee), and the Drag-Along Buyer shall pay the consideration due for the Investor Member's Membership Interest. If the Investor Member has failed, as of immediately prior to the time that the consummation of the Drag-Along Sale would otherwise have occurred, to have taken all actions necessary in accordance with this Agreement to consummate the Transfer of the Membership Interests held by it, then the Investor Member shall be deemed to be in material breach of this Agreement for purposes of Article IV and for all other purposes hereunder, shall be a Defaulting Member, and shall be deemed to have granted (and hereby grants, contingent only on the occurrence of such failure) an irrevocable appointment of any Person nominated for the purpose by the NiSource Member to be the Investor Member's agent and attorney to execute all necessary documentation and instruments on its behalf to Transfer the Investor Member's Membership Interest to the Drag-Along Buyer (or as it may direct) as the holder thereof, in each case consistent with the terms set forth in this Section 6.5.

(g) The NiSource Member shall have a period of 180 days commencing on the delivery of the Drag-Along Notice (such 180-day period, the “Drag Sale Period”) to consummate the Drag-Along Sale. If the Drag-Along Sale is not completed prior to the expiration of the Drag Sale Period, then the process initiated by the delivery of the Drag-Along Notice shall be lapsed, and the NiSource Member will be required to repeat the process set forth in this Section 6.5 to pursue any Drag-Along Sale; provided that if a definitive agreement providing for the consummation of such Drag-Along Sale is executed within the Drag Sale Period but such Drag-Along Sale has not been consummated at the expiration of the Drag Sale Period solely as a result of a failure to receive the requisite authorization, approval or consent of any Governmental Body in respect of such Drag-Along Sale, then the Drag Sale Period shall be extended solely to the extent necessary to permit the receipt of all such authorizations, approvals or consents which are in process but have not been received from the relevant Governmental Body as of the original expiration date of the Drag Sale Period and the consummation of the Drag-Along Sale provided for in such definitive agreement; provided, that the NiSource Member shall have used efforts in seeking such authorizations, approvals and consents consistent with its obligations under such definitive agreement(s) in respect thereof.

(h) Notwithstanding the foregoing, the NiSource Member may not exercise the Drag-Along Right or consummate any Drag-Along Sale, without the prior written consent of the Investor Member unless the applicable Drag-Along Sale would result in the Investor Member receiving proceeds resulting in it achieving at least a IRR of 10% (the “Investor Return Threshold”) and a MOIC of 2.15x (the “MOIC Return Threshold”); provided, that any shortfall in the Investor Member achieving the Investor Return Threshold or the MOIC Return Threshold may be paid by the NiSource Member to the Investor Member in immediately available funds at the closing of the Drag-Along Sale, in which case the prior written consent of the Investor Member shall not be required to exercise the Drag-Along Right or consummate such Drag- Along Sale.

(i) For the avoidance of doubt, the rights conferred to the NiSource Member under this Section 6.5 do not apply in the event of a Change in Control of the NiSource Member.

Section 6.6 Cooperation. The transferring Member acknowledges and agrees that it shall cooperate reasonably to obtain the requisite authorization, approval or consent of any Governmental Body necessary to consummate any Transfers contemplated or permitted by this Article VI. The Members shall have the right in connection with any Transfer of Membership Interests permitted by this Agreement (or in connection with the investigation or consideration of any such potential Transfer) to require the Company to reasonably cooperate with potential purchasers in such prospective Transfer (at the sole cost and expense of the applicable Member or such potential purchasers) by taking such actions reasonably requested by the applicable Member or such potential purchasers to cooperate in such Transfer, including (a) preparing or assisting in the preparation of due diligence materials and (b) providing such reasonable access to the Company’s and each of its Subsidiaries’ books, records, properties and other materials (subject, in each case, to the execution of customary confidentiality and non-disclosure agreements and subject to attorney-client privilege) to potential purchasers; provided that no such cooperation by the Company shall be required (i) until the relevant potential purchaser executes and delivers to the Company a customary confidentiality agreement, (ii) to the extent such cooperation would unreasonably interfere with the normal business operations of the Company or any of its Subsidiaries, and (iii) to the extent the provision of any information would (A) conflict with, or constitute a violation of, any applicable Law or Order or cause a loss of attorney-client privilege of the Company or any of its Subsidiaries, (B) in the NiSource Member’s reasonable determination, require the disclosure of any information that is proprietary, confidential or sensitive to the NiSource Member or to any member of the NiSource Outside Group, or (C) require the disclosure of any information relating to any joint, combined, consolidated or unitary Tax Return that includes the NiSource Member or any other member of the Outside Group or any supporting work papers or other documentation related thereto.

Section 6.7 Sale of Investor Member. Notwithstanding anything to the contrary in this Agreement, if an Investor Member is participating in any sale of Membership Interests pursuant to Section 6.3, Tag-Along Sale or Drag-Along Sale or any other Transfer of its Membership Interests, the owners of the Investor Member (or, as applicable, the regarded owner of the Investor Member for U.S. federal income tax purposes) (each, a “Blocker Seller”) shall, use commercially reasonable efforts to sell, and the NiSource Member and the Company will use commercially reasonable efforts to structure such sale or transfer such that the Blocker Seller is able to sell, equity interests in the Investor Member (or, as applicable, the regarded owner of the Investor Member for U.S. federal income tax purposes), in lieu of selling the Membership Interests held (directly or indirectly) by the Investor Member in exchange for consideration equal to the value of the Membership Interests as determined in such sale pursuant to Section 6.3, Tag-Along Sale or Drag-Along Sale or other Transfer, held (directly or indirectly) by the Investor Member without discount (as appropriately adjusted for any partial sale).

ARTICLE VII PREEMPTIVE RIGHTS

Section 7.1 Preemptive Rights. The Company hereby grants to each Member the right to purchase such Member’s Preemptive Right Share of all (or any part) of any New Securities that the Company may from time to time issue after the Effective Date (the “Preemptive Right”); provided, however, that the Preemptive Right shall not apply with respect to New Securities issues or to be issued in any public offering or pursuant to failures to fund Additional Funding Requirements or as otherwise specifically provided herein. In the event the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), the Company shall give to each Member written notice of its intention to issue New Securities (the “Preemptive Right Participation Notice”), describing the amount and type of New Securities, the cash purchase price and the general terms upon which it proposes to issue such New Securities. Each Member shall have twenty (20) days from the date of receipt of any such Preemptive Right Participation Notice (the “Preemptive Right Notice Period”) to agree in writing to purchase for cash up to such Member’s Preemptive Right Share of such New Securities for the price and upon the terms and conditions specified in the Preemptive Right Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Members’ Preemptive Right Share) as well as the maximum amount of New Securities it would purchase. If any Member fails to so respond in writing within the Preemptive Right Notice Period, then such Member shall forfeit the right hereunder to purchase its Preemptive Right Share of such New Securities and the Company will allocate the rights to purchase such New Securities to any other Member that indicated it would purchase New Securities in excess of its Preemptive Right Share based on their relative Preemptive Right Shares. Subject to obtaining the requisite authorization, approval or consent of any Governmental Body, the closing of any purchase by any Member pursuant to this Section 7.1 shall be consummated concurrently with the consummation of the issuance or sale described in the Preemptive Right Participation Notice. The Company shall be free to complete the proposed issuance or sale of New Securities described in the Preemptive Right Participation Notice with respect to any New Securities not elected to be purchased pursuant to this Section 7.1 in accordance with the terms and conditions set forth in the Preemptive Right Participation Notice (except that the amount of New Securities to be issued or sold by the Company may be reduced). If a Member indicates in its response to a Preemptive Right Participation Notice that it shall purchase New Securities but then does not fund such amounts, such Member shall be a Defaulting Member.

**ARTICLE VIII
PROTECTIVE PROVISIONS**

Section 8.1 Investor Member Threshold Matters. Notwithstanding anything to the contrary in this Agreement, the Company shall not cause or permit, in each case, so long as the Investor Member's Percentage Interest is equal to or greater than the Investor Consent Threshold (except with respect to subclauses (a)–(g) and (i), in which case so long as the Investor Member's Percentage Interest is at least 4.9%), and is not a Defaulting Member, without the prior written consent of the Investor Member (except that no such written consent shall be required to the extent that such matter is necessary to comply with applicable Law or Order or is in response to an Emergency Situation):

- (a) make an election or take any other action that results in a change in the tax classification of the Company or any of its Subsidiaries, with respect to its Subsidiaries only if such change adversely affects the Investor Member;
- (b) any non-*pro rata* repurchase or redemption of any equity interests issued by the Company;
- (c) any (i) issuance of any class of equity interest in the Company, other than pursuant to Sections 1.9, 5.1, Section 7.1 or as otherwise specifically contemplated herein or (ii) change to the existing rights or obligations of any class of equity interest of the Company if such change would have a disproportionate material adverse impact on any Member in a manner different from the NiSource Member;
- (d) the filing of a petition seeking relief, or the consent to the entry of a decree or order for relief in an involuntary case, under the bankruptcy, rearrangement, reorganization or other debtor relief Laws of the United States or any state or any other competent jurisdiction or a general assignment for the benefit of its creditors by the Company or any of its Subsidiaries of all or substantially all of the assets of the Company and its Subsidiaries;
- (e) the conversion of the Company or NIPSCO from its current legal business entity form to any other business entity form (*e.g.*, the conversion of the Company from a Delaware limited liability company to a Delaware corporation);
- (f) the listing of any equity interests of the Company or its Subsidiaries on any stock exchange (other than any spin off, split off or similar transaction of the Company, the NiSource Member or NIPSCO, or any of their Affiliates, which, for the avoidance of doubt, shall be subject to Sections 5.1(e) or 6.5 and the Spin Return Threshold);
- (g) any amendment or modification to any Organizational Document of the Company or any Subsidiary of the Company, other than (i) ministerial amendments thereto or (ii) amendments thereto that are not disproportionately adverse to the Investor Member as compared to any other holder of equity interests of the Company;
- (h) the transfer, sale or other disposition, whether by the way of asset sale, stock sale, merger, or otherwise, of (i) all or substantially all of the assets of the Company Group, taken as a whole on a consolidated basis, or (ii) assets of the Company's Subsidiaries having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any transaction or series of related transactions, other than Qualifying Core Assets and Excluded Transactions (it being understood, for the avoidance of doubt, that this Section 8.1(h) shall not be deemed to restrict a transfer, sale or other disposition of the equity of the Company) and other than pursuant to Article VI or a Change in Control of the Company, or the NiSource Member or as set forth below;

(i) the transfer, sale, issuance, or other disposition of any equity interests in NIPSCO or in any Subsidiary of the Company that directly or indirectly holds any equity interests in NIPSCO to any Person that is not the Company or one of its wholly-owned Subsidiaries;

(j) any new agreements or amendments to existing agreements, among the Company or any of its Subsidiaries, on the one hand, and any Member or any of their respective Affiliates (other than the Company or any of its Subsidiaries), on the other hand, which such agreement (or series of related transactions) are entered into after the Effective Date, other than those that (i) are on an arms-length basis and (ii) involve revenues or expenditures of less than \$15,000,000 per Contract or series of related transactions individually or less than \$40,000,000 in the aggregate, subject to an annual increase by the CPI Escalator, for any fiscal year for all such affiliate transactions (it being acknowledged and agreed that no prior written consent of the Investor Member will be required with respect to any amendments to any affiliate transaction made in the ordinary course of business unless to the extent such amendment would have a disproportionately adverse effect on the Company Group (relative to other regulated utilities then owned by Parent or its Affiliates (other than the Company and its Subsidiaries)) in any material respect;

(k) the acquisition by the Company or any of the Company's Subsidiaries of any equity interests or assets of any Person or the entry into joint ventures, in each case, having a Fair Market Value in excess of 2.5% of the Rate Base Amount in the aggregate in any calendar year, other than in connection with Qualifying Core Assets or Excluded Transactions;

(l) any capital expenditure by the Company or its Subsidiaries, that is in excess of 1.0% of the Rate Base Amount in any calendar year and is not made (i) in connection with a Qualifying Core Asset, (ii) reasonably necessary to fund an Emergency Expenditures, or (iii) an Excluded Transaction;

(m) incurring long-term Indebtedness (other than the refinancing of existing Indebtedness on commercially reasonable terms consistent with current market conditions as determined by the Board) by the Company or its Subsidiaries, if, after giving pro forma effect to such incurrence and the application of the proceeds therefrom, the Company's and its Subsidiaries' Debt-to-Capital Ratio would exceed the then-current target Debt-to-Capital Ratio approved by the IURC by more than 200 basis points for two consecutive (2) quarters; provided, that the Company shall notify the Investor Member at least ten (10) Business Days prior to the Company or any of its Subsidiaries incurring any Indebtedness in excess of the annual budget;

(n) making any political or charitable contribution made by or on behalf of the Company or any of its Subsidiaries to any Governmental Body or any official, representative or staff thereof, including any community leaders or elected officials, in excess of \$250,000 individually or \$1,000,000 in the aggregate in a fiscal year; and

(o) entering into any binding agreement or arrangement by the Company or any of its Subsidiaries to effect any of the foregoing actions.

Notwithstanding the foregoing, no Investor Member approval shall be required with respect to any spin off, split off or similar transaction of the Company, the NiSource Member or NIPSCO, or any of their Affiliates; provided, that any such transaction must satisfy the requirements of Section 5.1(e) or Section 6.5 and the Spin Return Threshold.

Section 8.2 Consultation Matters. For so long as (x) the Investor Member's Percentage Interest is at least 9.9% and (y) the Investor Member is not a Defaulting Member, the Company (and, as applicable, the Board) shall use reasonable efforts to consult in good faith with the Investor Member prior to the Company undertaking, or causing or permitting any of its Subsidiaries to undertake, the following matters (except as would be impracticable in respect of a particular action that the Board reasonably believes to be necessary or appropriate to comply with applicable Law, Order or in response to an Emergency Situation):

(a) appointing or replacing the President, and the head of electric and the head of gas of NIPSCO;

(b) establishing or materially amending, or material deviating from the then-current plan or budget of the Company and its Subsidiaries; provided, that the Company (and, as applicable, the Board) the NiSource Member and the Parent shall (i) provide to the Investor Member a draft of the business plan and budget of the Company and its Subsidiaries for a given fiscal year no later than November 10 of the prior fiscal year, which budget shall include quarterly fiscal projections, (ii) schedule and attend a meeting among representatives of the Company, the NiSource Member, the Parent and the Investor Member, including the Chief Financial Officer and Head of Regulatory Affairs of the Parent, no later than November 24 of the prior fiscal year, to discuss the draft business plan and budget, (iii) schedule and attend a meeting between the Chief Executive Officer of the Parent and the Global Head of Infrastructure of Blackstone Inc., within 5 Business Days of a written request by the Investor Member, to discuss the draft business plan and budget as well as any changes proposed by Investor Member and (iv) consider the Investor Member's comments to the business plan and budget in good faith; and

(c) material decisions relating to the conduct (including the settlement) of any litigation, administrative, or criminal proceeding to which the Company or any of its Subsidiaries is a party where (i) it is reasonably expected that the liability of the Company and its Subsidiaries would exceed \$75,000,000 (as adjusted by the CPI Escalator) (solely with respect to litigation proceedings), (ii) such proceeding would have material reputational damage on the Company or its Subsidiaries, or (iii) such proceeding would reasonably be expected to have a material and adverse effect on the Investor Member or any of its Affiliates (other than in its or (if applicable, their) capacity as an investor in the Company); provided, that, for the avoidance of doubt, the foregoing shall not be applicable to any ordinary course regulatory proceedings (including rate cases) that do not involve claims of criminal conduct or intentional violations of applicable Law.

Section 8.3 Indebtedness. The Company and its Subsidiaries shall use reasonable best efforts to incur Indebtedness, both intercompany and with respect to any Third Party, such that the regulated capital structure of NIPSCO remains consistent with authorized levels.

Section 8.4 Additional Actions. The NiSource Member and Investor Member further agree to the additional actions set forth on Schedule 2.

Section 8.5 Actions by the Investor Directors on behalf of the Investor Member. Where any action requires the consent of the Investor Member pursuant to Section 8.1, the Investor Directors shall, unless the Investor Member indicates in writing to the NiSource Member otherwise, have the authority to provide such consent on behalf of the Investor Member at any meeting of the Board called to discuss such matters, and the Company, the other Members and the other Directors shall be entitled to rely on such action of the Investor Directors as an action of the Investor Member with such action being binding upon the Investor Member.

Section 8.6 Acknowledgement of Purpose of Provisions. It is hereby acknowledged and agreed by the Parties that the rights of the Investor Member set forth in this Article VIII are protection mechanisms for the Investor Member acting in its capacity as an investor in the Company and are not for purposes of, and should not be construed or otherwise interpreted as, providing the Investor Member or any of its Representatives or Affiliates with the ability to take any action that would constitute exercising substantial influence or control over the Company or any of its Subsidiaries or would otherwise provide the Investor Member or any of its Representatives or Affiliates with any right to direct the operation of the business of the Company or any of its Subsidiaries.

**ARTICLE IX
OTHER COVENANTS AND AGREEMENTS**

Section 9.1 Books and Records.

(a) The Company shall keep and maintain, or cause to be kept and maintained, books and records of accounts, taxes, financial information and all matters pertaining to the Company and its Subsidiaries at the offices and place of business of the Company in a commercially reasonable manner consistent with the manner in which similar books and records are kept and maintained by other members of the Outside Group. Each Member (other than any Defaulting Member) and its duly authorized Representatives shall have the right to, at reasonable times during normal business hours, upon reasonable notice, under supervision of the Company's personnel and in such a manner as to not unreasonably interfere with the normal operations of any member of the Company Group, visit and inspect the books and records of the Company Group, and, at its expense, make copies of and take extracts from any books and records of the Company Group; provided, that, in the case of the Investor Member, any Person gaining access to such information regarding the Company Group pursuant to this Section 9.1 shall agree to hold in strict confidence, not make any disclosure of, and not use for purposes other than good faith administration of the Investor Member's continuing investment, all information regarding any member of the Company Group that is not otherwise publicly available.

(b) Notwithstanding the foregoing, the Company shall not be obligated to provide to the Investor Member any record or information (i) relating to the negotiation and consummation of the transactions contemplated by this Agreement and the PSA, including confidential communications with Representatives or Advisors, including legal counsel, representing the Company or any of its Affiliates, (ii) that is subject to an attorney-client or other legal privilege, (iii) that, in the NiSource Member's reasonable determination, are proprietary, confidential or sensitive to the NiSource Member or to any other member of the Outside Group, (iv) relating to any joint, combined, consolidated or unitary Tax Return that includes the NiSource Member or any other member of the Outside Group or any supporting work papers or other documentation related thereto if such work papers or documentation includes the information of the NiSource Member or Outside Group, or (v) the provision of which would violate any applicable Law or Order; provided, with respect to (ii) and (iv) above that the Company shall use commercially reasonable efforts to develop an alternative to make such information available, including to make redactions to any such material and provide such redacted materials to the Investor Member.

(c) Each Member shall reimburse the Company for all reasonable, documented, out-of-pocket costs and expenses incurred by the Company in connection with such Member's exercise of its inspection and information rights pursuant to this Section 9.1.

Section 9.2 Financial Reports. The Company shall provide, or otherwise make available, to any Member (unless such Member is a Defaulting Member):

(a) on an annual basis, within 120 days after the end of each fiscal year, an audited consolidated balance sheet, statement of operations and statement of cash flow of NIPSCO and its Subsidiaries;

(b) on a quarterly basis, within 60 days after the end of each fiscal quarter, an unaudited consolidated balance sheet and related quarter and year to date statement of operation and related quarter and year to date statement of cash flow of NIPSCO and its Subsidiaries;

(c) on a monthly basis, within 30 days after the end of each month-end, an unaudited income statement as readily available of NIPSCO and its Subsidiaries and related financial information prepared in the ordinary course;

(d) on an annual basis (or more frequently, if applicable), as soon as reasonably practicable after the approval thereof by the Board, the annual budget and business plan for NIPSCO and its Subsidiaries;

(e) on an annual basis, as soon as reasonably practicable after the approval thereof by the Board, financial forecasts for NIPSCO and its Subsidiaries for the fiscal year, which shall be in such manner and form as approved by the Board, and which shall include a projection of income and a projected cash flow statement for each fiscal quarter in such fiscal year and a projected balance sheet as of the end of each fiscal quarter in such fiscal year;

(f) (i) within 45 days after the end of each fiscal year, an estimated Schedule K-1 for the immediately preceding taxable year based on best-available information to date and depreciation will be subject to change based on final year end audit and financial reporting results and (ii) not less than 45 days prior to the due date, including extensions, for the filing of the Company's federal information return for the immediately preceding taxable year, a final Schedule K-1, along with copies of all other federal, state and local income tax returns or reports filed by the Company for the previous year, as may be required as a result of the operations of the Company, and a schedule of Company book tax differences for the immediately preceding year;

(g) Investor Member shall promptly upon request by the NiSource Member provide the following information: (i) Form SS-4/IRS determination letter and Form 8832 Entity Classification Election and (ii) Form W-9; and

(h) promptly, upon reasonable notice, any information that is reasonably requested by any Member in order to manage its regulatory or tax affairs or make filings with Governmental Bodies, including but not limited to Federal and Indiana corporate tax returns and financial statements (whether or not audited) for the Investor Member (or the regarded owner of the Investor Member if the Investor Member is a disregarded entity for tax purposes).

Section 9.3 Other Business; Corporate Opportunities.

(a) To the extent permitted by applicable Law, any Member and any Affiliate of any Member may engage in, possess an interest in or otherwise be involved in other business ventures of any nature or description, independently or with others, similar or dissimilar to the businesses of the Company Group, and neither the Company nor any other Member shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the businesses of the Company Group, shall be deemed not to be wrongful or improper so long as it is consistent with all Laws and Orders applicable to the Company and its Subsidiaries.

(b) The Company and each Member expressly acknowledge and agree, that, (i) neither the Members nor any of their respective Affiliates or Representatives shall have any duty to communicate or present an investment or business opportunity to the Company in which the Company may, but for the provisions of this Section 9.3, have an interest or expectancy (a "Corporate Opportunity"), and (ii) neither of the Members nor any of their respective Affiliates or Representatives (even if such Person is also an officer or Director of the Company) shall be deemed to have breached any duty or obligation to the Company by reason of the fact that such Person pursues or acquires a Corporate Opportunity for itself or directs, sells, assigns or transfers such Corporate Opportunity to another Person or does not communicate information regarding such Corporate Opportunity to the Company. The Company and each Member expressly renounce any interest in Corporate Opportunities and any expectancy that a Corporate Opportunity will be offered to the Company.

Section 9.4 Compliance with Laws.

(a) The Company shall and shall cause its Subsidiaries to use their respective commercially reasonable efforts to procure that the Company and its Subsidiaries and Company Group's respective Representatives shall not in the course of their actions for, or on behalf of, any member of the Company Group:

(i) offer promise, provide or authorize the provision of any money, property, contribution, gift, entertainment or other thing of value, directly or knowingly indirectly, to any government official, to unlawfully influence official action or secure an improper advantage, or to unlawfully encourage the recipient to improperly influence or affect any act or decision of any Governmental Body, in each case, in order to assist any member of the Company Group in obtaining or retaining business, or otherwise act in violation of any applicable Anti-Corruption Laws;

(ii) violate any applicable Anti-Money Laundering Laws; or

(iii) engage in any unlawful dealings or transactions with or for the benefit of any Sanctioned Person or otherwise violate Sanctions.

(b) The Company shall promptly notify the Members of (i) any allegations of material misconduct by any member of the Company Group or any actions, suits or proceedings by or before any Governmental Body to which any member of the Company Group becomes a party, or to which the Company becomes aware that any Representative of the Company Group (in relation to such Representative's actions for, or on behalf of, any member of the Company Group) is a party, in each case, relating to any material breach or suspected material breach of any applicable Anti-Corruption Laws, Anti-Money Laundering Laws, or Sanctions or (ii) any fact or circumstances of which it becomes aware that would reasonably be expected to result in a breach of this Section 9.4.

Section 9.5 Non-Solicit. Without the prior written consent of the Company, during the term of this Agreement, the Investor Member shall not, shall cause its Affiliates not to, and shall use its reasonable best efforts to procure that other Persons in which it is invested do not, solicit for employment, hire or engage as a consultant any individual who is serving in any position within the then-current NiSource Leadership Team; provided, that this Section 9.5 shall not prohibit any Person from issuing general public solicitations not specifically targeted at the then-current NiSource Leadership Team or from hiring or engaging any Person responding to such general solicitations.

Section 9.6 Confidentiality.

(a) Each Member shall, and shall cause its Representatives to, keep confidential and not divulge any information (including all budgets, business plans and analyses) concerning the Company and its Subsidiaries, including their respective assets, business, operations, financial condition and prospects, or with respect to another Member of this Agreement ("Confidential Information"), and to use such Confidential Information only in connection with the operation of the Company and its Subsidiaries or such Member's administration of its investment in the Company; provided that nothing herein shall prevent any Member from disclosing such Confidential Information (i) upon the Order of any court or administrative agency, (ii) upon the request or demand of any Governmental Body having jurisdiction over such party, (iii) to the extent compelled by legal process or required pursuant to binding requirement of any

Governmental Body, (iv) to the other Parties, (v) to such party's Representatives that in the reasonable judgment of such party need to know such Confidential Information, (vi) to any potential Permitted Transferee in connection with a proposed Transfer of Membership Interests from a Member so long as such transferee agrees to be bound by the provisions of this Section 9.6 as if a Member, or (vii) to actual and prospective limited partners of such Member or its Affiliates in connection with reporting requirements or fundraising efforts; provided, further, that in the case of clauses (i), (ii) or (iii), such Member shall prior to making any disclosure seek a protective order or other relief to prevent or reduce the scope of such disclosure, to the extent legally permissible, notify the other Parties of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment, when and if available; provided, further, that in the cases of clauses (v) through (vii), such party receiving any Confidential Information is bound to an obligation of confidentiality no less stringent than that contained in this Agreement including such other protective provisions to protect the misuse of material non-public information.

(b) The restrictions in Section 9.6(a) shall not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Member or any of its Representatives in violation of this Agreement, (ii) is or has been independently developed or conceived by such Member or its Affiliates without use of the Company's or any of its Subsidiaries' Confidential Information or (iii) becomes available to the receiving Member or any of its Representatives on a non-confidential basis from a source other than the Company or any of its Subsidiaries, any other Party or any of their respective Representatives; provided, that such source is not known by the recipient of the information to be bound by a confidentiality agreement with the disclosing party or any of its Representatives.

(c) Each Party shall inform any Representatives to whom it provides Confidential Information that such information is confidential and instruct them (i) to keep such Confidential Information confidential and (ii) not to disclose Confidential Information to any Third Party (other than those Persons to whom such Confidential Information has already been disclosed in accordance with the terms of this Agreement). The disclosing Party shall be responsible for any breach of this Section 9.6 by the Person to whom the Confidential Information is disclosed.

(d) The restrictions in Section 9.6(a) shall not restrict any Member and its Affiliates from disclosing any Confidential Information required to be disclosed under applicable securities Laws or the rules of any stock exchange on which any of their securities are traded.

(e) Notwithstanding anything herein to the contrary, the provisions of this Section 9.6 shall survive the termination of this Agreement for a period of three (3) years and, with respect to each Member, shall survive for a period of three (3) years following the date on which such Member is no longer a Member. The provisions of this Section 9.6 shall supersede the provisions of any non-disclosure agreements entered into by the Company (or its Affiliates, including the NiSource Member) and any of the Members (or their respective Affiliates) with respect to the transactions contemplated hereby or by the PSA prior to the Effective Date.

Section 9.7 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of Representatives and other Advisors, incurred in connection with this Agreement and the transactions contemplated hereby, shall be paid by the Party incurring such costs and expenses. Notwithstanding the foregoing, should any litigation be commenced between the Parties or their Representatives concerning this Agreement or the rights, duties, or obligations hereunder, the Party or Parties prevailing in such proceeding shall be entitled, in addition to any other relief granted, to the reasonable attorneys' fees and other litigation costs incurred by reason of such litigation.

Section 9.8 Obligations in Respect of Financings.

(a) Subject to Section 9.8(b), during the term of this Agreement, the NiSource Member and the Company shall cooperate with Investor Member as reasonably requested by the Investor Member in connection with any Debt Financing. Such assistance shall include (i) providing to Investor Member such information as may be reasonably necessary in connection with the Debt Financing, and (ii) taking such other actions as are reasonably requested by the Investor Member to facilitate the consummation of any Debt Financing.

(b) Notwithstanding anything in Section 9.8(a) or this Agreement to the contrary, the cooperation requested by the Investor Member pursuant to Section 9.8(a) shall not (i) unreasonably interfere with the ongoing operations of the NiSource Member or its Subsidiaries, or (ii) require the NiSource Member or any of its Subsidiaries (other than the Company) to (A) pay any commitment or other similar fee, (B) have or incur any liability or obligation in connection with any Debt Financing, including under any agreement or any document related to any Debt Financing, (C) commit to taking any action (including entering into any Contract) or to otherwise execute any document, agreement, certificate or instrument in connection with any Debt Financing or (D) take any action that would conflict with, violate or breach or result in a violation or breach of or default under any Contract, this Agreement or any other document contemplated hereby or any Law or regulatory requirements. In no event shall the Company or NiSource Member be required to provide information relating to the transactions contemplated hereby or with any other Person in connection with any possible sale or transfer of assets or equity of the Company and its Subsidiaries, any information subject to the attorney-client privilege or any confidential or sensitive information, or relating to any Tax Return.

Section 9.9 Credit Support. For so long as there are (a) any guarantees, credit support, letters of credit or financial assurances of a member of the Outside Group related to support obligations of the Company Group, each Member shall pay the portion equal to its Percentage Interest of any payment or draw request on such credit support facilities on or before the applicable payment date required or (b) any guarantees, credit support, letters of credit or financial assurances of the Company or any of its Subsidiaries related to support obligations of a member of the Outside Group, the NiSource Member shall pay all such payments on or before the applicable payment date required. If a Member does not make a payment in accordance with the above, the Company may issue a Capital Call Request Notice in accordance with Section 5.1 for such amount from the applicable Member. For the avoidance of doubt, the failure to make the payment in clauses (a) or (b) prior to a Capital Call Request Notice shall not be an Event of Default and the failure to fund pursuant to a Capital Call Request Notice shall be treated in accordance with Section 5.1.

**ARTICLE X
TAX MATTERS**

Section 10.1 Tax Classification. The Parties intend that the Company be classified as a partnership for U.S. federal income (and applicable state and local) Tax purposes. Without limiting Section 8.1(a), neither the Company nor any Member shall make any election to change the tax classification of the Company or otherwise take any action inconsistent with such intended tax classification without the consent of the Board (or its designee).

Section 10.2 Partnership Representative.

(a) The NiSource Member is hereby designated the “Partnership Representative” within the meaning of Code Section 6223(a) of the Company. The Partnership Representative shall, if required, designate from time to time a “designated individual” to act on behalf of the Partnership Representative, and such designated individual shall be subject to replacement by the Partnership Representative in accordance with the Code and Treasury Regulations. If any state or local tax law provides for a tax matters partner, partnership representative, or person having similar rights, powers, authority, or obligations, the Partnership Representative shall also serve in such capacity. The Partnership Representative is authorized to represent the Company before the Internal Revenue Service and any other governmental agency with jurisdiction, make all decisions regarding permitted elections under the Code, Treasury Regulations, and other state and local tax law with respect to tax proceedings; provided, however, the Partnership Representative shall not enter into any settlement or similar agreement without the consent of the Board (such consent not to be unreasonably withheld, conditioned, or delayed). All Members (and former Members) agree to cooperate with, and to do and refrain from doing any or all things reasonably required by the Partnership Representative in connection with the conduct of all such proceedings or to otherwise allow the Company and the Partnership Representative to comply with the partnership audit provisions of the Code, Treasury Regulations, and similar state and local law. All Members shall cooperate in good faith to amend this Section 10.2 or other provisions of this Agreement as necessary to reflect any statutory amendments or the promulgation of Treasury Regulations or other administrative authority promulgated under the Partnership Audit Rules so as to, to the extent possible, preserve the relative rights, duties, and obligations of the Members hereunder. The Company shall, to the fullest extent permitted by law, reimburse and indemnify the Partnership Representative for all third-party expenses (including legal and accounting fees), claims, liabilities, losses, and damages incurred as the Partnership Representative in connection with any examination, administrative, or judicial proceeding, or otherwise acting in its capacity as Partnership Representative.

(b) Notwithstanding anything to the contrary in this Agreement, each Member (including, for purposes of this Section 10.2, any Person who is or becomes a Member but who for any reason ceases to be a Member) (i) hereby covenants to treat each item of income, gain, loss, deduction, or credit attributable to the Company in a manner consistent with the treatment of such income, gain, loss, deduction, or credit on the tax return of the Company or as determined in a notice of final partnership adjustment pursuant to Section 6226 of the Code, (ii) hereby agrees to indemnify and hold harmless the Company from such Member’s share of any tax and any penalties, interest, and additions to tax attributable to any adjustment to the income, gain, loss, deduction, or credit of the Company pursuant to Section 6226 of the Code, and (iii) hereby agrees to take all other actions as the Partnership Representative may reasonably direct with respect to the Member’s (or, in respect of the Member, the Company’s) tax liabilities, which shall not include filing an amended return for any “reviewed year” to account for all adjustments under Section 6225(a) of the Code properly allocable to the Member as provided in and otherwise contemplated by Section 6225(c) of the Code and any Treasury Regulations that may be promulgated thereunder. If the Company or any other entity in which the Company holds an interest is obligated to pay any amount to a governmental agency or body or to any other Person (or otherwise makes a payment) of any taxes arising under a federal, state, or local tax audit or other proceeding and the Partnership Representative determines that all or a portion of such payment is specifically attributable to a Member (or former Member), then such Member (or former Member) shall reimburse the Company in full for the entire amount paid (including any interest, penalties, and expenses associated with such payment). The obligations of a Member under this Section 10.2 shall survive such Member’s sale or other disposition of its interests in the Company and the termination, dissolution, liquidation, or winding up of the Company.

(c) The Partnership Representative (i) shall keep the Investor Member reasonably informed of any material tax audit, settlement or proceeding and (ii) shall not settle or otherwise compromise a material tax audit, settlement or proceeding that would have a material adverse impact on the Investor Member, without the Investor Member’s prior written consent (such consent not to be unreasonably withheld, conditioned, or delayed).

Section 10.3 Tax Elections. Except as otherwise provided by this Agreement, all material elections and decisions required or permitted to be made by the Company under any applicable tax law shall be determined by the NiSource Member; provided however, that any election with respect to taxes that is disproportionately materially adverse to the Investor Member shall require the Investor Member's prior consent (such consent not to be unreasonably withheld, conditioned, or delayed). The elections shall include, but not be limited to, the following:

- (a) Upon the written request of a Member, the Company may make the election under Section 754 of the Code in accordance with applicable regulations thereunder for the Company and each applicable Subsidiary;
- (b) To the extent permitted under Section 706 of the Code, to elect the calendar year as the Company's taxable year and, (i) for clarity, to the extent the Company is permitted to adopt the calendar year, no other year shall be adopted as the taxable year and (ii) to the extent any additional filings or elections are required, to make such required filings or elections;
- (c) To elect the accrual method of accounting;
- (d) To elect to amortize any organizational expenses of the Company ratably over a period of one hundred eighty (180) months as permitted by Section 709(b) of the Code, and to elect to deduct the start-up expenditures of the Company as permitted by Section 195(b) of the Code;
- (e) If "bonus depreciation" is available with respect to qualified property, the NiSource Member shall make the election described in Section 168(k)(7) of the Code to opt out of "bonus depreciation" for the Taxable Year during which the placed in service date occurs.
- (f) Based upon current knowledge of the facts pertaining to the transactions contemplated by the PSA as of the Effective Date, the Company will not report the transactions contemplated by the PSA to the IRS as a "reportable transaction" pursuant to Section 6011 of the Code, the relevant Treasury Regulations and any other administrative practice or procedure;
- (g) To the extent permitted by law, to elect to apply the de minimis safe harbor under Treasury Regulations Section 1.263(a)-1(f);
- (h) To the extent permitted under Code Section 461(h)(3), to elect the adoption of the exception for certain recurring items;
- (i) To the extent permitted under Code Section 461(c), to elect to ratably accrue real property taxes; and
- (j) To elect under Code Section 163(j) to be treated as an excepted trade or business.

Section 10.4 Cooperation. The Investor Member shall, and shall cause its Affiliates to, provide to the NiSource Member and its Subsidiaries (including the Company and its Subsidiaries), and the NiSource Member and the Company shall, and shall cause their Affiliates to, provide to the Investor Member, in each case, such cooperation, documentation and information as any of them reasonably may request in connection with (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or (c) preparing for or conducting any Tax audits, examinations or other proceedings by any taxing authority of any Governmental Body.

Section 10.5 Withholding. The Company may withhold and pay over to the United States Internal Revenue Service (or any other relevant Tax authority) such amounts as it is required to withhold or pay over, pursuant to the Code or any other applicable Tax Law, on account of a Member, including in respect of distributions made pursuant to Section 5.2 or Section 5.3, and, for the avoidance of doubt, the amount of any such distribution or other payment to a Member shall be net of any such withholding. To the extent that any amounts are so withheld and paid over, such amounts shall be treated as paid to the Person(s) in respect of which such withholding was made. For all purposes under this Agreement, any amounts withheld or paid with respect to a Member pursuant to this Section 10.5 shall offset any distributions to which such Member is entitled concurrently with such withholding or payment and shall be treated as having been distributed to such Member pursuant to Section 5.2 or Section 5.3 at the time such offset is made. To the extent that the cumulative amount of such withholding or payment exceeds the distributions to which such Member is entitled concurrently with such withholding or payment, the amount of such excess shall be promptly paid to the Company by the Member on whose behalf such withholding is required to be made; provided, however, that any such payment shall not be treated as a Capital Contribution and shall not reduce the amount that a Member is otherwise obligated to contribute to the Company. To the extent that a Member claims to be entitled to a reduced rate of, or exemption from, a withholding Tax pursuant to an applicable income Tax treaty, or otherwise, such Member shall furnish the Company with such information and forms as such Member may be required to complete where necessary to comply with any and all Laws and regulations governing the obligations of withholding Tax agents, and the Company shall apply such reduced rate of, or exemption from, withholding Tax as reflected on such information and forms that have been provided by such Member. Each Member agrees that if any information or form provided pursuant to this Section 10.5 expires or becomes obsolete or inaccurate in any respect, such Member shall update such form or information.

Section 10.6 Certain Representations and Warranties. Each Member represents and warrants that any such information and forms furnished by such Member shall be true and accurate and agrees to indemnify the Company from any and all damages, costs and out-of-pocket expenses resulting from the filing of inaccurate or incomplete information or forms relating to such withholding Taxes.

ARTICLE XI LIABILITY; EXCULPATION; INDEMNIFICATION

Section 11.1 Liability; Member Duties. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person. Each Member acknowledges and agrees that each Member, in its capacity as a Member, may decide or determine any matter subject to the approval of such Member pursuant to any provision of this Agreement in the sole and absolute discretion of such Member, and in making such decision or determination such Member shall have no duty, fiduciary or otherwise, to any other Member or to the Company Group, it being the intent of all Members that such Member, in its capacity as a Member, has the right to make such determination solely on the basis of its own interests.

Section 11.2 Exculpation. To the fullest extent permitted by applicable Law, no Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's fraud or willful misconduct.

Section 11.3 Indemnification. The Company shall indemnify, defend and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suits or proceedings by reason of the fact that such Person is or was a Director or officer of the Company, or is or was a Director or officer of the Company serving at the request of the Company as a director, officer or agent of another limited liability company, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' and experts' fees), judgments, settlements, penalties and fines actually and reasonably incurred by him or her in connection with the defense or settlement of such, action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company; and, with respect to any criminal action or proceeding, either he or she had reasonable cause to believe such conduct was lawful or no reasonable cause to believe such conduct was unlawful; provided, however, for the avoidance of doubt, this Section 11.3 shall not apply with respect to any such actions between the Company and such Person or pursuant to claims under the PSA.

Section 11.4 Authorization. To the extent that such present or former Director or officer of the Company has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 11.3, or in the defense of any claim, issue or matter therein, the Company shall indemnify him or her against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Section 11.3 shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the present or former Director or officer is permissible in the circumstances because such present or former Director or officer has met the applicable standard of conduct. Such determination shall be made, with respect to a Person who is a Director or officer at the time of such determination, (a) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even with less than a quorum, or (b) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion, or (c) by the Members. Such determination shall be made, with respect to former Directors and officers, by any Person or Persons having the authority to act on the matter on behalf of the Company.

Section 11.5 Reliance on Information. For purposes of any determination under Section 11.3, a present or former Director or officer of the Company shall be deemed to have acted in good faith and have otherwise met the applicable standard of conduct set forth in Section 11.3 if his or her action is based on the records or books of account of the Company or on information supplied to him or her by a Director or an officer of the Company in the course of his or her duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company. The provisions of this Section 11.5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a present or former Director or officer of the Company may be deemed to have met the applicable standard of conduct set forth in Section 11.3.

Section 11.6 Advancement of Expenses. Expenses (including reasonable attorneys' fees) incurred by the present or former Director or officer of the Company in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company as authorized in the specific case in the same manner described in Section 11.4, upon receipt of a written affirmation of the present or former Director or officer that he or she has met the standard of conduct described in Section 11.3 and upon receipt of a written undertaking by or on behalf of him or her to repay such amount if it shall ultimately be determined that he or she did not meet the standard of conduct, and a determination is made that the facts then known to those making the determination shall not preclude indemnification under this Article XI.

Section 11.7 Non-Exclusive Provisions. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled. The Company hereby acknowledges that certain of its Directors and certain of its Members and the direct and indirect partners therein or owners thereof (the “Fund Indemnitees”) may have rights to indemnification, advancement of expenses and/or insurance with respect to their service on the Board (collectively, the “Fund Indemnitors”). The Company hereby agrees: (a) that it is the indemnitor of first resort (i.e., its obligations to the Fund Indemnitees are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Fund Indemnitees are secondary) and (b) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof, except to the extent that a Fund Indemnitee breaches its undertaking to repay advanced expenses as provided in Section 11.6. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of the Fund Indemnitees with respect to any claim for which the Fund Indemnitees have sought indemnification from the Company shall affect the foregoing and that the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Fund Indemnitees against the Company.

Section 11.8 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XI shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be a Director or officer of the Company and shall inure to the benefit of his or her heirs, executors and administrators.

Section 11.9 Limitations. Notwithstanding anything contained in this Article XI to the contrary, the Company shall not be obligated to indemnify any Director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such Person unless such proceeding (or part thereof) was authorized or consented to by the Board.

ARTICLE XII REPRESENTATIONS AND WARRANTIES

Section 12.1 Members Representations and Warranties. Each Member hereby represents and warrants, severally and not jointly, to the Company and to the other Member as follows:

(a) Such Member is a company duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation, as applicable, with full power and authority to enter into this Agreement and perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement by such Member, and the performance by such Member of its obligations hereunder, have been duly and validly authorized by all requisite action by such Member, and no other proceedings on the part of such Member are necessary to authorize the execution, delivery or performance of this Agreement by such Member.

(c) This Agreement has been duly and validly executed and delivered by such Member, and, assuming that this Agreement is a valid and binding obligation of the other Parties, this Agreement constitutes a valid and binding obligation of such Member, enforceable against such Member in accordance with its terms, except as limited by the application of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other Laws relating to or affecting creditors' rights or general principles of equity.

(d) The execution and delivery by such Member of this Agreement, and the performance by such Member of its obligations hereunder, does not (i) violate or breach its Organizational Documents, (ii) violate any applicable Law to which such Member is subject or by which any of its assets are bound, or (iii) result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under any Contract to which such Member is a party or by which any of its assets are bound.

(e) Such Member is acquiring its Membership Interests (i) for such Member's own account and not directly or indirectly for the account of any other Person and (ii) for investment and not with a view to their sale or distribution. Such Member understands that the Membership Interests have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available. Such Member understands that no public market now exists for the Membership Interests and that it is unlikely that a public market will ever exist for the Membership Interests. Such Member understands that its investment in the Company is highly speculative in nature and is subject to a high degree of risk of loss, in whole or in part.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Notices. Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted by electronic mail (unless if transmitted after 5:00 p.m. Eastern time or other than on a Business Day, then on the next Business Day) to the address specified below (with confirmation of transmission), (c) when sent by internationally-recognized courier in which case it shall be deemed to have been given at the time of actual recorded delivery, or (d) the third (3rd) Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the number, electronic mail address or street address, as applicable, set forth below, or at such other number, electronic mail address or street address as such Party may specify by written notice to the other Party.

Notices to the Investor Member:

BIP Blue Buyer L.L.C.
345 Park Avenue
New York, NY 10154
Attention: Legal Counsel – Blackstone Infrastructure Partners; Max Wade
Email: BIP-Legal@blackstone.com; max.wade@blackstone.com

with copies to (which shall not constitute notice):

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attention: David Allinson
Email: david.allinson@lw.com

and

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Ravi Purohit
Email: rpurohit@paulweiss.com

Notices to the NiSource Member:

NIPSCO Holdings I LLC

290 W. Nationwide Boulevard

Columbus, OH 43215

Attention: Shawn Anderson, Executive Vice President and Chief Financial Officer; Kim Cuccia, Senior Vice President, General Counsel and Corporate Secretary

Email: sanderson@nisource.com; kscuccia@nisource.com

with a copy to (which shall not constitute notice):

McGuireWoods LLP

800 East Canal Street

Richmond, Virginia 23219

Attention: Joanne Katsantonis; Emilie McNally

Email: jkatsantonis@mcguirewoods.com; emcnally@mcguirewoods.com

Notices to the Company:

NIPSCO Holdings II LLC

290 W. Nationwide Boulevard

Columbus, OH 43215

Attention: Shawn Anderson, Executive Vice President and Chief Financial Officer; Kim Cuccia, Senior Vice President, General Counsel and Corporate Secretary

Email: sanderson@nisource.com; kscuccia@nisource.com

with a copy to (which shall not constitute notice):

McGuireWoods LLP

800 East Canal Street

Richmond, Virginia 23219

Attention: Joanne Katsantonis; Emilie McNally

Email: jkatsantonis@mcguirewoods.com; emcnally@mcguirewoods.com

Section 13.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, that neither Member, nor the Company, shall purport to assign or Transfer all or any of its rights or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in this Agreement in whole or in part except with respect to a Transfer in accordance with the terms of this Agreement, and any attempted or purported assignment hereof not in accordance with the terms hereof shall be void ab initio.

Section 13.3 Waiver of Partition. Each Member hereby waives any right to partition of the Company property.

Section 13.4 Further Assurances. From and after the Effective Date, from time to time, as and when requested by any Party and at such Party's expense, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to carry out the purposes and intent of this Agreement.

Section 13.5 Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement shall be construed to give any Person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement; provided, that Covered Persons are express third party beneficiaries of Article XI.

Section 13.6 Parties in Interest; Non-Recourse. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors, legal representatives and permitted assigns. This Agreement may only be enforced against, and any claim, action, suit, proceeding or investigation based upon, arising out of or related to this Agreement may only be brought against, the Persons that are expressly named as Parties to this Agreement. Except to the extent named as a Party to this Agreement, and then only to the extent of the specific obligations of such Parties set forth in this Agreement, no past, present or future shareholder, member, partner, manager, director, officer, employee, Affiliate (without giving effect to the proviso set forth in the definition thereof), agent or advisor of any Party shall have any liability (whether in contract, tort, equity or otherwise or by or through theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, undercapitalization or any other attempt to avoid or disregard the entity form of any Person not a Party) for any of the representations, warranties, covenants, agreements or other obligations or liabilities of any of the Parties or for any claim, action, suit, proceeding or investigation based upon, arising out of or related to this Agreement. Notwithstanding anything contained herein, in no event shall this Section 13.6 limit in any way or waive any rights the Company or the NiSource Member may have with respect to the Equity Commitment Letter.

Section 13.7 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

Section 13.8 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 13.9 Complete Agreement. This Agreement (including any schedules thereto), constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and thereof and supersedes any prior understandings, agreements or representations by or among the Parties hereto or Affiliates thereof, written or oral, to the extent they relate in any way to the subject matter hereof.

Section 13.10 Amendment; Waiver. Subject to Article VIII, neither this Agreement nor any other Organizational Document of the Company may be amended (whether by merger or otherwise) except in a written instrument signed by Members owning at least a majority of the Membership Interests; provided, that (a) the prior written consent of any Member shall be required in respect of any such proposed modification, alteration, supplement or amendment that would have a material disproportionate adverse impact on that Member (in its capacity as a Member) as compared to the other Members (in their capacity as Members) and (b) notwithstanding anything in this Agreement to the contrary, Article V, Article VI,

Article VII, Article VIII and this Section 13.10 may not be amended other than by a written instrument signed by the Investor Member. In the event that the Company issues Membership Interests to one or more Third Parties pursuant to Section 5.1(c) or Section 7.1, the Members and the Company shall negotiate in good faith to amend this Agreement to the extent reasonably necessary to reflect such additional Members. Any amendment or revision to Schedule 1 that is made by an officer solely to reflect information regarding Members or the Transfer or issuance of Membership Interests made in accordance with the terms of this Agreement shall not be considered an amendment to this Agreement and shall not require any Board or Member approval. Any failure or delay on the part of any Party in exercising any power or right hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder or otherwise available at law or in equity.

Section 13.11 Governing Law. This Agreement, and any claim, action, suit, investigation or proceeding of any kind whatsoever, including a counterclaim, cross-claim or defense, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of or related to this Agreement or the negotiation, execution or performance of this Agreement or the transactions contemplated hereby shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to agreements executed and performed entirely within such State without regards to conflicts of law principles of the State of Delaware or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Delaware to apply.

Section 13.12 Specific Performance. The Parties agree that irreparable damage, for which monetary relief, even if available, shall not be an adequate remedy, would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that (a) the Parties shall be entitled to seek an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of this Agreement and the business and legal understandings between the Members with respect to the Company, and without that right, none of the Members would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 13.12 shall not be required to provide any bond or other security in connection with any such Order. The remedies available to the Parties pursuant to this Section 13.12 shall be in addition to any other remedy to which they may be entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit any Party from seeking to collect or collecting damages. Each of the Parties agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity.

Section 13.13 Escalation; Arbitration.

(a) In connection with any dispute, controversy or claim between the Members relating to or arising out of this Agreement, the Members will use their reasonable efforts to resolve such dispute within thirty (30) days. If the dispute has not been resolved within such thirty (30) day period, the Members will escalate the dispute to the respective Senior Officers, who will meet to discuss and use their reasonable efforts to resolve the dispute. If the Members remain unable to resolve the dispute within thirty (30) days of the initial meeting of the Senior Officers or such later date as the Members subject to such dispute may agree, such dispute shall be finally settled by binding arbitration administered by the American Arbitration

Association (“AAA”) utilizing its Commercial Arbitration Rules in effect as of the date the arbitration is commenced. The arbitration shall be conducted before a single arbitrator, if the Parties can agree on the one arbitrator. If the Parties cannot agree on a single arbitrator, there shall be a panel of three arbitrators with one chosen by each Member and the third arbitrator selected by the two Members-appointed arbitrators. If a Party fails to appoint an arbitrator within 30 days following a written request by another Party to do so or if the two party-appointed arbitrators fail to agree upon the selection of a third arbitrator, as applicable, within 30 days following their appointment, the additional arbitrator shall be selected by the AAA pursuant to its applicable procedures. Each arbitrator shall be disinterested and have at least 20 years of experience with commercial matters. The arbitrator(s) shall have the power to award any appropriate remedy consistent with the objectives of the arbitration and subject to, and consistent with, all Laws and Orders applicable to the Company and its Subsidiaries (including, for the avoidance of doubt, the necessity of obtaining any requisite authorization, approval or consent of any Governmental Body necessary to implement the appropriate remedy). The decision of the one arbitrator or, if applicable, the majority of the three arbitrators shall be final and binding upon the Parties (subject only to limited review as required by applicable Law). Judgment upon the award of the arbitrator(s) may be entered in any court of competent jurisdiction or otherwise enforced in any jurisdiction in any manner provided by applicable Law. The losing Party shall pay the prevailing Party’s attorney’s fees and costs and the costs associated with the arbitration, including expert fees and costs and the arbitrators’ fees and costs; provided, however, that each Party shall bear its own fees and costs until the arbitrator(s) determine which, if any, Party is the prevailing Party and the amount that is due to such prevailing Party. The arbitration proceedings shall take place in Chicago, Illinois and, for the avoidance of doubt, the arbitration proceedings shall be conducted in the English language.

(b) All discussions, negotiations and proceedings under this Section 13.13, and all evidence given or discovered pursuant hereto, will be maintained in strict confidence by all Parties, except where disclosure is required by applicable Law, necessary to comply with any legal requirements of such Party or necessary or advisable in order for a Party to assert any legal rights or remedies, including the filing of a complaint with a court or, based on the advice of counsel, such disclosure is determined to be necessary or advisable under applicable securities Laws or the rules of any stock exchange on which any of such Party’s securities are traded. Disclosure of the existence of any arbitration or of any award rendered therein may be made as part of any action in court for interim or provisional relief or to confirm or enforce such award.

(c) Any settlement discussions occurring and negotiating positions taken by any Party in connection with the procedures under this Section 13.13 will be subject to Rule 408 of the Federal Rules of Civil Procedure and shall not be admissible as evidence in any proceeding relating to the subject matter of this Agreement.

(d) The fact that the dispute resolution procedure specified in this Section 13.13 has been or may be invoked will not excuse any Party from performing its obligations under this Agreement, and during the pendency of any such procedure, all Parties must continue to perform their respective obligations in good faith. In addition, in no event shall the fact that this provision has been invoked and the pendency of the proceedings limit, suspend, delay or waive any other rights and remedies provided in this Agreement to any Member.

(e) Notwithstanding the agreement to arbitrate contained in this Section 13.13, in the event that either Party wishes to seek a temporary restraining order, a preliminary or temporary injunction, or other injunctive relief in connection with any claim, demand, cause of action, dispute, controversy, or other matter arising out of or relating to this Agreement or the alleged breach thereof, whether such claim sounds in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, each Party shall have the right to pursue such injunctive relief in court, rather than by arbitration. The Parties agree that such action for a temporary restraining order, a preliminary or temporary injunction, or other injunctive relief may be brought in the state or federal courts of Delaware, or in any other forum in which jurisdiction is appropriate.

Section 13.14 Counterparts. This Agreement may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Parties. The Parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile or electronically transmitted signatures.

Section 13.15 Fair Market Value Determination. In the event the Board makes a determination of Fair Market Value under this Agreement, upon request by any Member, so long as a Member holds a Percentage Interest greater than 5%, within five Business Days after receiving written notice of the Board's determination in connection with any determination of Fair Market Value of Membership Interests or other assets under this Agreement (which determination shall be provided by the Company to each Member promptly following the making thereof), the Company shall select a nationally recognized independent valuation firm with no existing or prior business or personal relationship with any Member or any of its Affiliates in the three year period immediately preceding the date of engagement, pursuant to this Section 13.15 (the "Independent Evaluator") to determine such Fair Market Value. Each of the Company and the requesting Member shall submit their view of the Fair Market Value of the Membership Interests or the relevant asset(s) to the Independent Evaluator, and each party will receive copies of all information provided to the Independent Evaluator by the other party. The final Independent Evaluator's determination of the Fair Market Value of such Membership Interests or asset(s) shall be set forth in a detailed written report addressed to the Company and the Members within 30 days following the Company's selection of such Independent Evaluator and such determination shall be final, conclusive and binding. In rendering its decision, the Independent Evaluator shall determine which of the positions of the Company and the requesting Member submitted to the Independent Evaluator is, in the aggregate, more accurate (which report shall include a worksheet setting forth the material calculations used in arriving at such determination), and, based on such determination, adopt either the Fair Market Value determined by the Company or the requesting Member. Any fees and expenses of the Independent Evaluator incurred in resolving the disputed matter(s) will be borne by the party whose positions were not adopted by the Independent Evaluator. Notwithstanding the foregoing, the Board's determination of Fair Market Value under this Agreement shall be conclusive and relied upon by the Members in carrying out their obligations hereunder, unless and until the Independent Evaluator determines otherwise. The pendency of this process shall not excuse the performance of any obligations of a Member hereunder.

Section 13.16 Certain Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Actual Performance Management Net Income" means Net Income of NIPSCO Consolidated adjusted for income taxes computed or imputed on Net Income. For these purposes, "NIPSCO Consolidated" is defined as NIPSCO and its consolidated subsidiaries including NIPSCO Accounts Receivable Corporation and its controlling investments in tax equity financings related to renewable projects. On an annual basis, Parent will provide to the Investor Member a schedule calculating Actual Performance Management Net Income including supporting documentation.

"Advisors" means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers, or other representatives of such Person.

“Adjusted Capital Account” means, with respect to any Member, the balance in such Member’s Capital Account as of the end of the relevant Allocation Year or other period, after giving effect to the following adjustments:

(a) Add to such Capital Account the following items:

(i) The amount, if any, that such Member is obligated to contribute to the Company upon liquidation of such Member’s Interest; and

(ii) The amount that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5).

(b) Subtract from such Capital Account such Member’s share of the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in such Member’s Adjusted Capital Account as of the end of the Allocation Year (or other relevant period).

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise; provided, however, that (i) no portfolio company of any investment fund affiliated with or advised by The Blackstone Group Inc. or Blackstone Infrastructure Partners L.P. shall be deemed to be an “Affiliate” of the Investor Member (excluding the Investor’s Subsidiaries) and (ii) no investment fund affiliated with or advised by The Blackstone Group Inc. shall be deemed an “Affiliate” of the Investor Member (excluding Blackstone Infrastructure Partners L.P. together with its controlled investment vehicles).

“Allocation Year” means (a) the period commencing on the Effective Date and ending on the immediately succeeding December 31; (b) any subsequent twelve (12) month period commencing on January 1 and ending on December 31; or (c) any portion of the period described in preceding clause (a) or (b) for which the Company is required to allocate items of the Company income, gain, loss, deduction or credit.

“Anti-Corruption Laws” means any Law concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Body.

“Anti-Money Laundering Laws” means any Law concerning or relating to money laundering, any predicate crime to money laundering or any record keeping, disclosure or reporting requirements related to money laundering imposed, administered or enforced by any Governmental Body.

“Assumed Tax Liability” means, for any Member, the product of (a) such Member’s allocable share of net taxable income of the Company for such Fiscal Year (or applicable portion thereof), reduced by such Member’s allocable share of cumulative net taxable loss of the Company not previously been taken into account (calculated taking into account the effect of any basis adjustment under Code Section 734, 743 or 754 and allocations pursuant to Code Section 704(c)), determined as if such Member has no items of income, gain, loss, deduction or credit other than through the Company, multiplied by (b) the Assumed Tax Rate.

“Assumed Tax Rate” means the highest effective combined marginal U.S. federal, state and local income tax rate applicable to a corporation for such Fiscal Year (taking into account the character of the underlying taxable income) and the deductibility of state and local income taxes for U.S. federal income tax purposes (and any applicable limitations thereon). The Assumed Tax Rate shall be the same for each Member.

“Available Cash” means, for any fiscal quarter, the cash flow generated from the normal business operations of the Company and its Subsidiaries in such fiscal quarter, less any amounts that the Board reasonably determines are necessary and appropriate to be retained in order to (a) permit the Company and its Subsidiaries to pay their obligations as they become due in the ordinary course of business, (b) make all payments required or that the Board determines is appropriate under the NiSource Notes, (c) maintain the Company’s and its Subsidiaries’ target regulatory capital structure and investment grade credit metrics, (d) fund planned capital expenditures, (e) maintain an adequate level of working capital, (f) maintain prudent reserves for future obligations (including contingent obligations of the Company and its Subsidiaries), (g) comply with applicable Law, Order, the terms of the Company’s and its Subsidiaries’ Indebtedness (including making any required payments of principal or interest in satisfaction of Indebtedness), or (h) respond to an Emergency Situation, with the requirement of the Company and its Subsidiaries, to make upward cash distributions (on a quarterly basis) of at least 50% of the such applicable entity’s Net Income for the relevant period (but, in any case, no less than all Available Cash).

“Business Day” means any day other than a Saturday, Sunday or a day on which banking institutions located in New York, New York or Delaware are closed generally.

“Capital Account” means the capital account maintained for each Member on the Company’s books and records in accordance with the following provisions:

(a) To each Member’s Capital Account there shall be added (i) such Member’s Capital Contributions, (ii) such Member’s allocable share of Net Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Section 5.6 or Section 5.7 hereof or other provisions of this Agreement, and (iii) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member.

(b) From each Member’s Capital Account there shall be subtracted (i) the amount of (A) cash and (B) the Gross Asset Value of any Company assets (other than cash) distributed to such Member pursuant to any provision of this Agreement, (ii) such Member’s allocable share of Net Losses and any other items in the nature of expenses or losses that are specially allocated to such Member pursuant to Section 5.6 or Section 5.7 hereof or other provisions of this Agreement, and (iii) liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) In the event any Membership Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Membership Interest.

(d) In determining the amount of any liability for purposes of subparagraphs (a) and (b) above, there shall be taken into account Code Section 752(e) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

“Capital Contribution” means, with respect to any Member, the total amount of cash and the initial Gross Asset Value of property (other than cash) contributed to the capital of the Company by such Member, whether as an initial Capital Contribution or as an additional Capital Contribution.

“Change in Control” means with respect to the applicable Party, any person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) at any time becoming the beneficial owner of more than 50% of the combined voting power of the voting securities of such Party (including through general partner and limited partner arrangements).

“Code” means the Internal Revenue Code of 1986, as amended.

“Company Group” means the Company and each of its Subsidiaries, collectively.

“Company Minimum Gain” has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1) for the phrase “partnership minimum gain.”

“Competitor” means any Person that is, or through its Subsidiaries is, directly involved in or competes with the Company Business in the United States. For the avoidance of doubt, a Competitor shall not include any financial sponsors that own equity in any Person that is directly involved in the Company Business in the United States.

“Contract” means any written agreement, arrangement, commitment, indenture, instrument, purchase order, license or other binding agreement.

“Covered Person” means any (a) Member, any Affiliate of a Member or any officers, directors, shareholders, partners, members, employees, representatives or agents of a Member or their respective direct or indirect Affiliates, (b) Director, or (c) employee, officer, or agent of the Company or its Affiliates.

“CPI Escalator” means that certain increase calculated annually on the anniversary of the Effective Date by the percentage increase of services measured by the consumer price index as determined by the U.S. Department of Labor, Bureau of Labor Statistics.

“Debt Financing” means any debt financing incurred by the Investor Member or any of its Affiliates (other than the Company), including, the incurrence of any loans or the issuance of any bonds, notes, debentures or hybrid securities.

“Debt-to-Capital Ratio” means the debt-to-capital ratio of NIPSCO as calculated for IURC purposes.

“Depreciation” means, for Allocation Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Allocation Year or other period, except that (a) with respect to an asset the Gross Asset Value of which differs from its adjusted basis for U.S. federal income tax purposes and which difference is being eliminated by use of the “remedial allocation method” as defined in Treasury Regulations Section 1.704-3(d), Depreciation for such period shall be the amount of the book basis recovered for such period under the rules prescribed in Treasury Regulations Section 1.704-3(d)(2), and (b) if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Allocation

Year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Allocation Year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such Allocation Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

“Emergency Expenditure” means amounts required to be incurred in order to respond to an Emergency Situation or to avoid an Emergency Situation in a manner that is consistent with general practices applicable to facilities used in the Company Business or consistent with the past operations of the Company or its Subsidiaries, but only to the extent such expenditures are reasonably designed to ameliorate the consequences, or an immediate threat of any of the consequences, of the issues set forth in the definition of “Emergency Situation”.

“Emergency Situation” means, with respect to the business of the Company and its Subsidiaries, any abnormal system condition or abnormal situation requiring immediate action to maintain the system, frequency, loading within acceptable limits or voltage or to prevent loss of firm load, material equipment damage or tripping of system elements that would reasonably be expected to materially and adversely affect reliability of an electric system or any other occurrence or condition that requires immediate action to prevent or mitigate an immediate and material threat to the safety of Persons or the operational integrity of the assets and business of the Company or its Subsidiaries or any other condition or occurrence requiring prompt implementation of emergency procedures as defined by the applicable transmission grid operator, distribution or transmitting utility.

“Encumber” means to place a Lien against.

“Equity Commitment Letter” means the Equity Commitment Letter dated as of the Effective Date by Blackstone Infrastructure Partners L.P. for the benefit of the Company in the amount equal to \$250,000,000 minus the Additional Capital Contribution Amount (as defined in the PSA) (the “Maximum Investor Commitment”).

“Exchange Act” has the meaning set forth in the definition of “Excluded Membership Interests”.

“Excluded Membership Interests” means any Membership Interests or other equity interests in the Company issued in connection with:

- (a) any issuance to a Third Party pursuant to and in accordance with Section 7.1;
- (b) any arrangement approved unanimously by the Board for the return of income or capital to the Members;
- (c) any equity split, equity dividend or any similar recapitalization; or

(d) the commencement of any offering or registration of Membership Interests or other equity interests of the Company or any of its Subsidiaries, pursuant to a registration statement filed in accordance with the United States Securities Act of 1933 (the “Securities Act”) or under the Securities and Exchange Act of 1934 (the “Exchange Act”).

“Excluded Transactions” means Transactions in the ordinary course of the Company Business, with respect to (i) tax equity financings related to renewable projects, or (ii) pilot programs and similar undertakings by the Company or its Subsidiaries in connection with the Company Business.

“Fair Market Value” means, with respect to any asset (including equity interest), the price at which the asset would change hands between a willing buyer and a willing seller that are not affiliated parties, neither being under any compulsion to buy or to sell, and both having knowledge of the relevant facts and taking into account the full useful life of the asset. In valuing Membership Interests, no consideration of any control, liquidity or minority discount or premium shall be taken into account. Fair Market Value shall be determined by the Board in accordance with the foregoing, subject to Section 13.15.

“FERC” means the U.S. Federal Energy Regulatory Commission or any successor agency thereto.

“GAAP” means United States generally accepted accounting principles applied on a consistent basis during the periods involved.

“Governmental Body” means any national, foreign, federal, regional, state, local, municipal or other governmental authority of any nature (including any division, department, agency, commission or other regulatory body thereof) and any court or arbitral tribunal, including any governmental, quasi-governmental or non-governmental body administering, regulating or having general oversight over electricity, power or the transmission or transportation thereof, including any regional transmission operator, independent system operator and any market monitor thereof.

“Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset on the date of the contribution, as determined by the Board, provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 5.1 shall be as set forth on Schedule 1.

(b) The Gross Asset Values of all Company assets immediately prior to the occurrence of any event described in subparagraphs (i) through (v) below shall be adjusted to equal their respective gross fair market values, as determined by the Board, as of the following times: The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Property as consideration for an interest in the Company; (iii) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); (iv) in connection with the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a partner capacity, or by a new Member acting in a partner capacity in anticipation of being a Member; and (v) the acquisition of an interest in the Company upon the exercise of a non-compensatory option in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(s); provided, however, adjustments pursuant to clause (i), clause (ii), and clause (iv) above shall be made only if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company; and provided further, if any non-compensatory option is outstanding, Gross Asset Values shall be adjusted in accordance with Treasury Regulation Sections 1.704-1(b)(2)(iv)(f)(1) and 1.704-1(b)(2)(iv)(h)(2);

(c) The Gross Asset Value of any Company asset distributed to a Member shall be the gross fair market value of such asset on the date of distribution as determined by the Board

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) above is made in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of a Company asset has been determined or adjusted pursuant to subparagraph (a), subparagraph (b) or subparagraph (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Company asset for purposes of computing Net Profits and Net Losses.

“Indebtedness” means indebtedness or long term debt or similar instruments as those terms are calculated or determined by IURC.

“Investor Call Trigger” means (i) the Investor Member fails to fund all or any portion of its share of a Mandatory Capital Contribution or any Additional Funding Requirement (other than a Mandatory Capital Contribution) in respect of two (2) events if the Investor Member indicated it would do so in its Response to Capital Call but failed to do so within the time period specified in Section 5.1; provided, that the NiSource Member shall be required to provide notice to the Investor Member immediately upon its first event of failure to fund that would trigger this right, (ii) the Investor Member’s Percentage Interest is equal to or less than five percent (5%), or (iii) the NiSource Member elects to pursue a spin off, split off or similar transaction of the Company, NIPSCO or an Affiliate; provided, in the case of this clause (iii), the NiSource Member may not exercise its Call Right unless the Spin Return Threshold would be satisfied in the event such contemplated transaction is consummated.

“Investor Consent Threshold” means a Percentage Interest equal to or greater than 19.9%; provided, that, solely in the event the Investor Member’s Percentage Interest is reduced in connection with issuances of Membership Interests in compliance with Sections 5.1 or 7.1, such reference to “19.9%” shall be replaced by “17.5%”.

“IRR” means, at any time of determination, the actual annual rate of return of the Investor Member (specified as a percentage) taking into account only the following, on a cash-in, cash-out basis: (a) all capital contributions actually made to the Company by or on behalf of the Investor Member or any of its Permitted Transferees with respect to their Membership Interests on or before such date, and (b) all cash distributions to the Investor Member or any of its Permitted Transferees on or before such date. For the avoidance of doubt, the IRR calculation would not include any tax payments at the Investor Member level. The IRR will be calculated using the XIRR function in the most recent version of Microsoft Excel (or if such program is no longer available, such other software program for calculating the IRR as is reasonably determined by the Board), and will be based on the actual dates of funding of such capital contributions and the actual dates of receipt of such cash distributions and proceeds.

“IURC” means the Indiana Utility Regulatory Commission.

“Law” means any law (statutory, common or otherwise), rule, regulation, code or ordinance enacted, adopted, promulgated or applied by any Governmental Body, including all regulatory requirements emanating from state and federal regulators of the Company Group’s businesses and operations.

“Liens” means all liens, encumbrances, mortgages, deeds of trust, pledges, security interests, charges, claims, proxy, voting trust or transfer restrictions, under any stockholder or similar agreement or Organizational Document.

“Maximum Investor Commitment” has the meaning set forth in the definition of “Equity Commitment Letter”.

“Member” means each of the NiSource Member and the Investor Member, and any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company.

“Member Nonrecourse Debt” has the meaning of “partner nonrecourse debt” as set forth in Treasury Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulation Section 1.704-2(i)(3).

“Member Nonrecourse Deductions” has the meaning of “partner nonrecourse deductions” set forth in Treasury Regulations Section 1.704-2(i)(1) and 1.704-2(i)(2).

“Membership Interests” means membership interests of the Company.

“MOIC” means, as of any measurement time, with respect to any holder of Membership Interests, the number resulting from the quotient of (i) the cumulative amount of distributions received by such holder (or its predecessors in interest) in respect of such Membership Interests divided by (ii) the cumulative amount of all capital contributions made to the Company by such holder (or its predecessors in interest) in respect of such Membership Interests prior to such time or, in the case of the Investor Member, the cumulative amount of the Purchase Price (as defined in the PSA) under the PSA paid by the Investor Member to the Parent (as defined therein).

“Net Income” means the Net Income attributable to the applicable entity in its consolidated GAAP income statement adjusted to (i) reflect non-GAAP adjustments included in the Parent’s consolidated non-GAAP reporting associated with the applicable entity and recorded in accordance with the Parent’s non-GAAP policy in effect as of the date of the income statement, and (ii) add post-tax Pension & OPEB Non-Service Cost if it is an expense and subtract post-tax Pension & OPEB Non-Service Cost in cases when this item is income. For reference, the Parent’s non-GAAP policy is to that certain non-GAAP policy in effect as of the Effective Date.

“New Securities” means any Membership Interests or other equity interests in the Company, other than any Excluded Membership Interests.

“NiSource Leadership Team” means any individual serving as an officer at any Company Group.

“Nonrecourse Deductions” has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

“Nonrecourse Liability” has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(3) and 1.752-1(a)(2).

“OFAC” means the U.S. Office of Foreign Assets Control.

“Order” means any order, ruling, decision, verdict, decree, writ, award, judgment, injunction, or other similar determination or finding of any Governmental Body.

“Organizational Documents” means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles of association, articles of organization or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

“Outside Group” means the Parent and its Subsidiaries, other than the Company and its Subsidiaries.

“Partnership Audit Rules” means Sections 6221 through 6241 of the Code, as enacted in Public Law 114-74, as may be amended, including any final or temporary Regulations, other administrative guidance or case law interpreting Sections 6221 through 6241 of the Code (and any analogous provision of state or local tax law).

“Partnership Representative” means, with respect to any Allocation Year, the Person designated for such year as the partnership representative for the Company pursuant to section 6223(a) of the Code or with respect to the tax law of any state or foreign jurisdiction, as a representative pursuant to a provision of law of such state or foreign jurisdiction corresponding to Section 6223(a) of the Code and shall also include the Person through whom a Partnership Representative acts.

“Percentage Interest” means, in respect of any Member, their relative ownership in the Membership Interests, expressed as a percentage, which shall be deemed to be equal to the number of Membership Interests that such Member owns divided by the total number of Membership Interests then outstanding.

“Permitted Transferee” means, with respect to the NiSource Member or the Investor Member, (a) a directly or indirectly wholly owned Subsidiary of such Member, (b) an Affiliate of such Member of which such Member is, directly or indirectly, a wholly owned Subsidiary (an “Affiliate Parent”), or (c) an Affiliate of such Member that is a wholly owned Subsidiary of an Affiliate Parent.

“Persons” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Body.

“Preemptive Right Share” means a ratio of (a) the number of Membership Interests held by such Member with Preemptive Rights, to (b) the total number of Membership Interests then outstanding immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

“President” means the President of NIPSCO.

“Profits” and “Losses” mean, for each Allocation Year, an amount equal to the Company’s taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses,” shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to clause (b) or clause (c) of the definition of “Gross Asset Value,” the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of Depreciation;

(e) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 5.7 or Section 5.8 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section 5.7 and Section 5.8 shall be determined by applying rules analogous to those set forth in clause (a) through clause (f) of this definition

“Prohibited Competitor” means (i) any Competitor listed on Appendix (A) hereto, as may be updated from time to time in accordance with Section 6.3(b) and (ii) any person owned or controlled by an entity existing under the laws of a country or territory that is subject to, or a target of, any Sanctions.

“PSA” means the Purchase and Sale Agreement, dated June 17, 2023, by and among the Company, the NiSource Member and the Investor Member (as amended, modified or supplemented from time to time).

“Qualified Designee” means (i) with respect to NiSource Member, an employee of Parent or its Affiliates that is an officer of any such entity and (ii) with respect to Investor Member, an employee of the Investor Member or its parent company that is an officer or comparable position of such entity or is otherwise affiliated with such entity; provided, that a “Qualified Designee” shall not include any Person so long as such Person is (a) a director, officer, employee, or other Person affiliated with a Prohibited Competitor or (b) any Person convicted by a court or equivalent tribunal of any felony (or equivalent crime in the applicable jurisdiction) or of any misdemeanor (or equivalent crime in the applicable jurisdiction) that involves financial dishonesty or moral turpitude, or (c) any Person that would create a material reputational risk to the Company based on a good faith determination by the Board.

“Qualified Transferee” means any Person so long as such Person is (i) an asset manager with “assets under management” (as such term is commonly defined in the private equity industry) of at least \$5,000,000,000, (ii) a Person with its equity interests listed on a nationally recognized stock exchange which has a market capitalization of at least \$5,000,000,000 or (iii) a Person that based on its most recent audited balance sheet has at least \$5,000,000,000 of assets, and/or in all cases, is in the good faith determination of the Board of being financially capable of carrying out the obligations and promptly paying all liabilities as they become due and payable under and in accordance with this Agreement and such Person is not a Prohibited Competitor; provided, that a Person that consummated a foreclosure pursuant to Section 6.2(b) shall be deemed a Qualified Transferee.

“Qualifying Core Assets” means assets utilized in connection with the conduct of the Company’s and its Subsidiaries’ business on which the Company reasonably expects (a) that it or its Subsidiaries will be eligible to include in the applicable rate base, and (b) to earn a return through rates approved by FERC (or such other Governmental Body that may then be applicable) that are commercially reasonable (to be determined by the Board in good faith) and are not otherwise inconsistent with applicable FERC (or such other Governmental Body, as the case may be) rate precedent. For the avoidance of doubt, “Qualifying Core Assets” shall also include necessary or ancillary expenses to support such assets (including working capital).

“Rate Base Amount” means an amount equal to the net utility plant of the Company and its Subsidiaries, taken as a whole, as determined based on the most recently filed FERC Form 1s for the Company and each of its Subsidiaries.

“Representatives” means the directors, officers, employees, agents and Advisors of a Party.

“Sanctioned Country” means a country or territory that is the target of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, and the so-called Donetsk and Luhansk People’s Republics in eastern Ukraine).

“Sanctioned Person” means, (a) any Person listed in any Sanctions-related list of designated Persons maintained by a Governmental Body described in the definition of “Sanctions,” (b) any Person operating, organized, domiciled or resident in a Sanctioned Country, (c) the government of, or a Governmental Body or government official of, any Sanctioned Country or of Venezuela, or (d) any Person directly or indirectly owned or otherwise controlled by, acting for or on behalf of, or acting at the direction of, any such Person described in clauses (a), (b), or (c).

“Sanctions” means any trade or economic sanctions imposed, administered or enforced from time to time by OFAC, the U.S. Department of State, His Majesty’s Treasury, the United Nations, the European Union or any agency or subdivision of any of the foregoing, including any regulations, rules and executive orders issued in connection therewith.

“Securities Act” has the meaning set forth in the definition of “Excluded Membership Interests”.

“Senior Officers” means with respect to the NiSource Member, the Chief Executive Officer of the Parent, and with respect to the Investor Member, the Global Head of Infrastructure of Blackstone Inc.

“Spin Return Threshold” means the Investor Return Threshold and the MOIC Return Threshold.

“Subsidiary” means, with respect to any Person, any entity of which a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or any partnership, association or other entity of which a majority of the partnership or other similar ownership interest is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other entity or is or controls the managing director or general partner of such partnership, limited liability company, association or other business entity.

“Tag Portion” means an amount of Membership Interests equal to the specified quantity of Tag-Along Offered Membership Interests multiplied by Investor Member’s Percentage Interest.

“Target Performance Management Net Income” means the financial model output reflected in the “Net Income – Controlling Interests – GAAP” row of the .PDF labeled “Project Blue – Seller Model and Non-GAAP Policy.pdf” and attached to an email from the Investor Member’s counsel to the NiSource Member’s counsel copying Representatives of the Investor Member and the NiSource Member on December 28, 2023 at 4:16 p.m. Eastern Standard Time.

“Tax” or “Taxes” means any federal, state, local or foreign taxes, including income, gross receipts, capital stock, capital gains, franchise, profits, license, withholding, payroll, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, excise, transfer, value added, import, export, alternative minimum, estimated or other tax, duty, assessment or governmental charge in the nature of a tax, including any interest, penalty or addition thereto.

“Tax Return” means any return, claim for refund, report, election, form, statement or information return relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

“Third Party” means, with respect to a Member, another Person that is not another Member or an Affiliate of a Member.

“Transfer” shall mean, with respect to the legal or beneficial ownership of any of a Member’s Membership Interests, any sale, assignment, transfer, pledge, encumbrance, hypothecation or other similar arrangement or disposal, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law (through a Change in Control or otherwise) including by the entry into any contract, option or other arrangement, or the granting or imposition of any Lien, that gives any Person other than the Member, whether or not upon the occurrence or nonoccurrence of an event, the right to acquire any Membership Interests or any interest therein, to vote any Membership Interest, or to require that any Membership Interests be transferred, directly or indirectly, whether voluntarily, involuntarily or by operation of applicable Law. For the avoidance of doubt and notwithstanding the foregoing, none of the following shall constitute a Transfer: (i) a sale, assignment, transfer, or other disposition of equity interests in any Member or any direct or indirect parent of such Member in which such Member represents less than 50% of the Fair Market Value of all of the assets directly or indirectly held by such Member or direct or indirect parent the equity interests of which are being disposed, except in any such case as expressly set forth in Section 6.2(b), (ii) a Change in Control of the NiSource Member or indirect transfers of Membership Interests resulting solely from acquisitions and dispositions of equity interests of Blackstone Inc., Parent or their respective Affiliates on the New York Stock Exchange, (iii) any direct or indirect transfer of equity interests in the Investor Member that does not result in a Change in Control of the Investor Member, and (iv) as permitted under Section 6.2(b).

Section 13.17 Terms Defined Elsewhere in this Agreement. As used in this Agreement, the following terms shall have the meanings ascribed to them in the sections indicated:

<u>Term</u>	<u>Section</u>
AAA	Section 13.13(a)
Affiliate Agreements	Section 2.14(a)
Affiliate Agreement Default	Section 2.14(c)
Affiliate Agreement Default Notice	Section 2.14(c)
Agreement	Preamble
Blocker Seller	Section 6.7
Board	Section 2.1
Board Observer	Section 2.13
Call Consummation Period	Section 5.1(e)
Call Exercise Price	Section 5.1(e)
Call Notice	Section 5.1(e)
Call Right	Section 5.1(e)
Capital Request Funding Date	Section 5.1(a)
Capital Request Notice	Section 5.1(a)
Company	Preamble
Company Business	Section 1.3(a)
Confidential Information	Section 9.6(a)
Contributing Member	Section 5.1(b)(ii)
Contribution Unfunded Amount Notice	Section 5.1(b)
Corporate Opportunity	Section 9.3(b)
Cure Period	Section 5.1(e)
Defaulting Member	Section 4.2
Designated Alternate	Section 2.2(e)
Directors	Section 2.1
Drag-Along Buyer	Section 6.5(a)
Drag-Along Notice	Section 6.5(b)
Drag-Along Right	Section 6.5(a)
Drag-Along Sale	Section 6.5(a)
Event of Default	Section 4.1
Event of Dissolution	Section 4.3(a)
Excess Contribution	Section 5.1(b)(i)
Fund Indemnitees	Section 11.7
Fund Indemnitors	Section 11.7
Independent Evaluator	Section 13.15
Investor Directors	Section 2.2(b)
Investor Member	Preamble
Investor Return Thresholds	Section 6.5(h)
Lock-Up Period	Section 6.1(b)
Mandatory Capital Contribution	Section 5.1(a)
Measurement Period	Schedule 2
MOIC Return Threshold	Section 6.5(h)

NIPSCO	Section 2.14(b)
NiSource Directors	Section 2.2(d)
NiSource Member	Preamble
NiSource Notes	Section 2.14(b)
Non-Transferring Member	Section 6.3(a)
Over-Contributing Member	Section 5.1(b)(i)
Parent	Preamble
Partnership Representative	Section 10.2
Party	Preamble
Preemptive Right	Section 7.1
Preemptive Right Notice Period	Section 7.1
Preemptive Right Participation Notice	Section 7.1
Pro Rata Request Amount	Section 5.1(a)
Regulatory Allocations	Section 5.7(h)
Response To Capital Call	Section 5.1(a)
Sale Notice	Section 6.3(a)(i)
Sale Period	Section 6.3(a)(ii)
Seller Model	Schedule 2
Senior Management Termination Event	Schedule 2
Senior Management Member	Schedule 2
Subject Membership Interests	Section 6.3(a)
Tag-Along Buyer	Section 6.4(a)
Tag-Along Notice	Section 6.4(a)
Tag-Along Offered Membership Interests	Section 6.4(a)
Tag-Along Sale	Section 6.4(a)
Total Number of Directors	Section 2.2(a)
Transferring Member	Section 6.3(a)
Unfunded Amount	Section 5.1(b)
Unfunded Amount Loan	Section 5.1(b)(ii)(A)

Section 13.18 Other Definitional Provisions. The following shall apply to this Agreement:

(a) Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement shall control.

(b) The terms “hereof,” “herein” and “hereunder” and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified.

(c) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” Where the context permits, the use of the term “or” shall be equivalent to the use of the term “and/or.”

(d) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day. In addition, notwithstanding any deadline for payment, performance, notice or election under this Agreement, if such deadline falls on a date that is not a Business Day, then the deadline for such payment, performance, notice or election will be extended to the next succeeding Business Day.

(e) Words denoting any gender shall include all genders, including the neutral gender. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(f) The word “will” will be construed to have the same meaning and effect as the word “shall”. The words “shall,” “will,” or “agree(s)” are mandatory, and “may” is permissive.

(g) All references to “\$” and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(h) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(i) Any reference to any Contract shall be a reference to such agreement or Contract, as amended, amended and restated, modified, supplemented or waived.

(j) Any reference to any particular Code section or any Law shall be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided, that, for the purposes of the representations and warranties contained herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Code section or Law, the reference to such Code section or Law means such Code section or Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(k) For all purposes of this Agreement (including the determination of a Member’s Percentage Interest and its entitlement, if applicable, to designate one or more Directors), such Member and its Permitted Transferees shall be deemed to be, and shall be treated as, one and the same Member.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first written above.

The Company:

NIPSCO Holdings II LLC

By: /s/ Shawn Anderson

Name: Shawn Anderson

Title: President and Chief Financial Officer

[Signature Page to A&R LLCA NIPSCO Holdings II LLC]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first written above.

NiSource Member:

NIPSCO Holdings I LLC

By: /s/ Shawn Anderson
Name: Shawn Anderson
Title: President and Chief Financial Officer

Solely with respect to Article VI:

Parent:

NiSource Inc.

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

[Signature Page to A&R LLCA NIPSCO Holdings II LLC]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first written above.

Investor Member:

BIP Blue Buyer L.L.C.

By: BIP Holdings Manager L.L.C., its managing member

By: /s/ Sebastien Sherman

Name: Sebastien Sherman

Title: Senior Managing Director

[Signature Page to A&R LLCA NIPSCO Holdings II LLC]

SCHEDULE 1
Schedule of Members

SCHEDULE 2
Senior Management Termination Event

Exhibit 99.1



FOR IMMEDIATE RELEASE:

January 2, 2024

NiSource Inc. Completes NIPSCO Minority Equity Interest Transaction

- Investment by Blackstone Infrastructure Partners affiliate (“Blackstone”) to acquire a 19.9% indirect non-controlling equity interest in NIPSCO for \$2.16 billion, with an additional equity commitment of \$250 million to fund ongoing capital requirements, strengthens NIPSCO’s financial foundation and supports sustainable long-term growth.
- Blackstone invests alongside NiSource in NIPSCO to fund the energy transition and to accelerate the reindustrialization of the Midwest.
- NiSource reaffirms commitment to Indiana and to its consolidated credit, earnings and growth commitments through 2028.

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) today announced that it has completed the issuance of a 19.9% indirect equity interest in the company’s Northern Indiana Public Service Company LLC (“NIPSCO”) subsidiary to an affiliate of Blackstone Infrastructure Partners (“Blackstone Infrastructure”), the dedicated infrastructure group of Blackstone Inc. (NYSE: BX). As previously announced, through the transaction the Blackstone affiliate has acquired a 19.9% non-controlling equity interest in NIPSCO Holdings II LLC, which owns all the equity interests of NIPSCO, and NiSource will own the remaining 80.1% of NIPSCO Holdings II LLC.

Blackstone Infrastructure is an active perpetual capital investor across the utility, energy transition, transportation, digital infrastructure, water and waste infrastructure sectors. Blackstone Infrastructure seeks to apply a long-term buy-and-hold approach to large-scale infrastructure assets and is focused on responsible stewardship and stakeholder engagement to create value for its investors and the communities it serves. Blackstone Infrastructure is committed to investing behind NIPSCO’s energy transition and decarbonization programs, as well as helping to increase gas and electric grid resiliency for the customers of Indiana.

NiSource intends to use the capital infusion to support its fastest growing utility and its ability to serve customers, strengthen its balance sheet and fund ongoing capital needs associated with the renewable generation transition underway. Since 2018, NIPSCO has been executing on one of the fastest transitions from coal-fired electricity in the U.S. utilities sector, targeting 0%

coal-fired generation mix by 2028 (compared to 75% coal generation mix in 2018). Through 2030, NIPSCO expects to make significant investments in its electric generation transition, primarily focused on installing new renewable generation to replace coal-fired generation retirements. NIPSCO also intends to support the continued growth and modernization of its gas and electric transmission and distribution systems, which will play critical roles in the energy transition as NIPSCO continues to deliver a reliable, diverse and sustainable energy mix, bringing customer, environmental and economic benefits.

“We are pleased to announce the completion of this transaction and are excited about the long-term partnership we have entered into with Blackstone,” said NiSource president and CEO, Lloyd Yates. “The transaction strengthens our balance sheet, supports our financing plan and provides greater flexibility to execute on high-quality capital investments that will enhance the safety, reliability and sustainability of our gas and electric systems for the benefit of our customers. It’s important to reinforce that our commitment to Indiana remains unchanged, and we will continue to drive sustainable growth for our stakeholders. This financing transaction will have no impact on NIPSCO’s current strategic direction or on our commitment to our gas and electric customers in Indiana.”

“We are incredibly excited to close this transaction and to begin our long-term partnership with NiSource and NIPSCO,” said Sebastien Sherman, Senior Managing Director, Blackstone Infrastructure. “This investment underscores Blackstone’s commitment to decarbonization to create value for our investors and our desire to help facilitate the reindustrialization of the Midwest. We are excited to invest behind NIPSCO, one of the fastest growing utilities in the country with one of the nation’s fastest decarbonization plans. Blackstone looks forward to supporting the vital role that NIPSCO plays in communities across Northern Indiana.”

NIPSCO is Indiana’s largest vertically integrated electric and gas distribution company, providing critical utility service to almost 1.3 million customers in an economically robust service territory, with a proven track record of providing value for its customers. NIPSCO is at the forefront of the energy transition and is developing one of the lowest-cost portfolios of renewable energy projects, the majority of which are utility-owned, and intends to retire all coal-fired generation by the end of 2028. These near-term renewable and generation transition investments add to a multi-decade capital plan with the goal to significantly grow NIPSCO’s rate base through investments across gas, electric transmission and distribution and electric generation, which should drive significant continued value for NIPSCO’s customers. NIPSCO operates in Indiana, one of the most constructive utility jurisdictions in the United States, with strong support for utility-owned generation and affordable energy, and a strong economic service territory benefitting from on-shoring and migration trends as well as robust development.

Advisors

Lazard Freres & Co. LLC served as lead financial advisor, Goldman Sachs & Co. LLC served as co-financial advisor and McGuireWoods LLP served as legal counsel to NiSource. Barclays served as financial advisor and Latham & Watkins LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP served as co-legal counsel to Blackstone. Sumitomo Mitsui Banking Corporation provided committed financing for the transaction.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,200 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability—North America Index, has been named as one of TIME Magazine’s World’s Best Companies and is on Forbes list of America’s Best Employers for Diversity. Learn more about NiSource’s record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com.

About Blackstone Infrastructure Partners

Blackstone Infrastructure Partners is an active investor across energy, transportation, digital infrastructure and water and waste infrastructure sectors. We seek to apply a long-term buy-and-hold strategy to large-scale infrastructure assets with a focus on delivering stable, long-term capital appreciation together with a predictable annual cash flow yield. Our approach to infrastructure investing is one that focuses on responsible stewardship and stakeholder engagement to create value for our investors and the communities we serve.

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FOR ADDITIONAL INFORMATION

Media

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Investors

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Director, Investor Relations
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Forward-Looking Statements

This press release 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 press release include, but are not limited to, our business plans, strategies and objectives, including development of our renewable energy projects, the benefits of the issuance of the indirect, non-controlling minority equity interest, and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022,

and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, 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.

Regulation G Disclosure Statement

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, diluted earnings per share, and funds from operations/debt, which are non-GAAP financial measures as defined by the SEC's Regulation G. The company includes these measures because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company is not able to estimate the impact of such factors on their GAAP equivalents and, as such, is not providing such guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance or its funds from operations/debt guidance to their GAAP equivalent without unreasonable efforts.

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 24, 2024

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

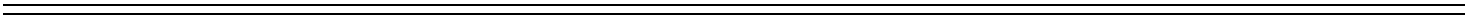
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 25, 2024, based on the recommendation of the Compensation and Human Capital Committee (the “Committee”) of the Board of Directors (the “Board”) of NiSource Inc. (the “Company”), the independent members of the Board approved a total target direct compensation amount of \$10.645 million for Lloyd Yates, President and Chief Executive Officer. The increase consisted of a salary increase from \$1.05 million to \$1.15 million, an increase in his target short-term incentive opportunity from 115% to 130%, and an increase of his target long-term incentive opportunity, from \$5.0 million to \$8.0 million. The short-term incentive opportunity and a portion of the long-term incentive opportunity are subject to certain performance criteria, including satisfying financial, operational excellence, safety and other metrics. The Committee provided this increased compensation package to Mr. Yates in recognition of his outstanding transformative leadership since his appointment as President and Chief Executive Officer and to better align Mr. Yates with the market for our peer group.

The forms of award agreements for the CEO long-term incentive opportunity are attached hereto as Exhibit 10.1 and Exhibit 10.2.

On January 24, 2024, the Committee of the Board granted a one-time award to Shawn Anderson, Executive Vice President and Chief Financial Officer. Under such award, Mr. Anderson will receive an aggregate equity award valued at \$2 million on the date of grant, consisting of 79,428 restricted stock units, which will vest upon certain events. In general, the award will vest 33% on January 24, 2025, 33% on January 24, 2026 and 34% on January 24, 2027. The award also will vest in connection with certain separations from service.

The Form of award agreement for the grant is attached hereto as Exhibit 10.3.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of 2024 CEO RSU Award Agreement
10.2	Form of 2024 CEO PSU Award Agreement
10.3	Form of RSU Award Agreement (for awards on or after 2024)
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: January 26, 2024

By: _____
/s/ Kimberly S. Cuccia
Kimberly S. Cuccia
Senior Vice President, General Counsel and Corporate Secretary

Exhibit 10.1

CEO

**NiSource Inc.
2020 Omnibus Incentive Plan**

202| | Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [DATE] (the “Grant Date”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company or an Affiliate (the “Grantee”), pursuant to the terms of the NiSource Inc. 2020 Omnibus Incentive Plan, as amended (the “Plan”). Any term capitalized but not defined in this Agreement shall have the meaning set forth in the Plan. In the event of any conflict between the Plan and this Agreement, the Plan shall control.

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [insert number of units] Restricted Stock Units. The Restricted Stock Units shall be represented by a bookkeeping entry (the “RSU Account”) of the Company, and each Restricted Stock Unit shall be equivalent to one share of the Company’s common stock.

Section 2. Grantee Accounts. The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Grantee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

Section 3. Vesting and Lapse of Restrictions.

- (a) Vesting. Subject to the forfeiture conditions described later in this Agreement, the Restricted Stock Units shall vest on [insert date with three-year cliff vesting] (the “Vesting Date”), at which date they shall become 100% vested, provided that the Grantee is continuously employed by the Company through and including the Vesting Date.
- (b) Pro Rata or Accelerated Vesting. If the Grantee’s Service is terminated for any reason (other than for Cause) prior to the Vesting Date, the restrictions set forth in subsection (a) above shall lapse and the Grantee shall vest in a *pro rata* or accelerated portion of such Restricted Share Units on the date of termination of Service for any reason in accordance with the attached Vesting Schedule. If subject to *pro rata* vesting, the lapse of restrictions shall be determined using a fraction, where the numerator shall be the number of calendar months (whether full or partial months) elapsed between the Grant Date and the date the Grantee terminates Service for any reason (other than for Cause), and the denominator shall be the number of calendar months (whether full or partial months) elapsed between the Grant Date and Vesting Date.

CEO

- (c) Change in Control; Good Reason. Notwithstanding the foregoing provisions, in the event of a Change in Control, the Restricted Stock Units under this Agreement shall be subject to the Change in Control provisions set forth in the Plan. Notwithstanding the foregoing or anything herein to the contrary, in the event the Restricted Stock Units do not become Alternative Awards under the Plan, then the Restricted Stock Units shall be settled within 60 days following the Change in Control; provided, however, in the event the Restricted Stock Units constitute nonqualified deferred compensation subject to Code Section 409A and the Change in Control is not a “change in control event” within the meaning of Code Section 409A, then, to the extent required to comply with Code Section 409A, the vested Restricted Stock Units shall be settled within 60 days following the Vesting Date or, if earlier and subject to Section 4, upon Grantee’s termination of Service. Notwithstanding any other agreement between the Company and the Grantee, the “Good Reason” definition set forth in the Plan shall govern this award.

Section 4. Delivery of Shares. Once Restricted Stock Units have vested under this Agreement, the Company shall convert the Restricted Stock Units in the Grantee’s RSU Account into Shares and issue or deliver the total number of Shares due to the Grantee within 60 days following the Vesting Date or, if earlier, Grantee’s termination of Service in accordance with Section 3(b). Notwithstanding the foregoing, to the extent any portion of the Restricted Stock Units are subject to Code Section 409A, if any Restricted Stock Units vest prior to the Vesting Date in connection with a Grantee’s “separation from service” within the meaning of Code Section 409A and the Grantee is a “specified employee” within the meaning of Code Section 409A at the time of such separation from service, the Shares represented by the vested Restricted Stock Units shall be issued and delivered on the first business day after the date that is six (6) months following the date of the Grantee’s separation from service (or if earlier, the Grantee’s date of death). The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company shall transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Grantee’s written beneficiary designation or to the Grantee’s estate if no written beneficiary designation is provided.

Section 5. Withholding of Taxes. As a condition precedent to the delivery to Grantee of any Shares upon vesting of the Restricted Stock Units or the payment of any cash pursuant to Section 9 hereof, Grantee shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Restricted Stock Units and any such cash payments. If Grantee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Grantee or withhold Shares. Grantee may elect to satisfy his or her obligation to advance the Required Tax Payments with respect to any Restricted Stock Units by any of the following means: (a) a cash payment to the Company; (b) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of previously owned whole Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Restricted Stock Units (the “Tax Date”), equal to the Required Tax Payments; (c) authorizing the Company to withhold from the Shares otherwise to be delivered to Grantee upon the vesting of the Restricted Stock Units, a number of whole Shares having a Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments; or (d) any combination of (a), (b) and (c). Shares to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a Share which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by Grantee. No Shares shall be delivered until the Required Tax Payments have been satisfied in full. For any cash payments made pursuant to Section 9 hereof, the Company shall withhold from such cash payments the Required Tax Payments.

CEO

Section 6. Compliance with Applicable Law. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Restricted Stock Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The delivery of all or any Shares that relate to the Restricted Stock Units shall be effective only at such time that the issuance of such Shares shall not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. Subject to Code Section 409A, the Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares shall be in compliance with federal or state securities laws and the rules of any exchange upon which the Company's Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery shall not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Restricted Stock Units have vested under this Agreement, the Restricted Stock Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Restricted Stock Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's RSU Account or any other specific assets of the Company. All amounts credited to the Grantee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee; Dividend Equivalent Cash Payments.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Restricted Stock Units. Notwithstanding the foregoing, in the event that the Company declares a cash dividend or cash distribution on Shares, on the payment date of the dividend or distribution, the Grantee will be entitled to receive a cash payment equal to the amount of the cash dividend or distribution per Share multiplied by the number of Restricted Stock Units granted by this Agreement and held by the Grantee on the dividend's or distribution's record date (as adjusted for any proration). The cash payable to the Grantee under the preceding sentence, less any taxes required to be withheld under Section 5 hereof, will be distributed to the Grantee as soon as practicable after the date on which the respective cash dividend or distribution is paid to holders of Shares.

CEO

- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Restricted Stock Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Restricted Stock Units shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in the Change in Control provisions of the Plan, any Restricted Stock Units may be replaced by Alternative Awards or forfeited in exchange for payment of cash in accordance with the Change in Control procedures and provisions of the Plan.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, shall be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Entire Agreement; Agreement Subject to Plan. This Agreement and the Plan contain all of the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement by reference, and in no way alter or modify the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. This Agreement is pursuant to the terms of the Plan.

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Section 15. Code Section 409A Compliance. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for “specified employees” within the meaning of Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A’s rules. If the Grantee is unexpectedly required to include in the Grantee’s current year’s income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

Section 16. Restrictive Covenant.

- (a) The Grantee understands the nature of the Company’s business and the significant time and expense the Company and its Affiliates (collectively referred to in this Section as “NiSource”) have expended and continue to expend in attracting, developing, recruiting and training employees and that the loss of employees would cause significant and irreparable harm to NiSource. Accordingly, the Grantee agrees that the scope and duration of the restriction described in this Section 16 is reasonable and necessary to protect the legitimate business interests of NiSource. The Grantee agrees that during the period of the Grantee’s Service and for a period of one (1) year following the Grantee’s separation from Service, the Grantee shall not, without the express written approval of NiSource’s Chief Human Resources Officer, directly or indirectly solicit, hire, recruit, or attempt to solicit, hire, or recruit, any then-current employee of NiSource or any employee who has been employed by NiSource in the six (6) months preceding such solicitation, hiring, or recruitment (“Covered Employee”). Soliciting, recruiting, or hiring Covered Employees with whom Grantee did not work or have direct contact while at NiSource to work as an employee, contractor, consultant or otherwise, shall not be considered a violation of this Section 16(a), provided, however, that Grantee does not solicit, employ or hire such employee with an intent to compete with NiSource in violation of this Section 16(a). Notwithstanding the foregoing, nothing in this Section shall restrict or preclude the Grantee from soliciting or hiring any employee who responds to a general employment solicitation or advertisement or contact by a recruiter that is not specifically focused or targeted on employees or former employees of NiSource, provided that the Grantee has not encouraged or advised such.
- (b) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section is invalid or unenforceable, the parties agree that (a) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (b) the parties shall request that the court exercise that power, and (c) this Agreement in its revised form shall be enforceable.
- (c) Grantee agrees that in the event of a breach or threatened breach of the covenants contained in Section 16(a), in addition to any other damages or restrictions that may apply under any employment agreement, state law, or otherwise, the Grantee shall forfeit, upon written notice to such effect from the Company, any and all Awards granted to the Grantee under this Agreement, including vested Awards and including any proceeds thereof. The forfeiture provisions of this Section shall continue to apply, in accordance with their terms,

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after the provisions of any employment or other agreement between the Company and the Grantee have lapsed. Grantee expressly acknowledges that any breach or threatened breach of any of the terms and/or conditions of this Section 16 may result in substantial, continuing, and irreparable injury to NiSource, and therefore agrees that, in addition to any other remedy that may be available to NiSource, NiSource shall be entitled to seek injunctive relief, specific performance, or other equitable relief (without the requirement to post bond) by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of this Section 16 without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach. Grantee expressly acknowledges that Grantee's violation of this Section 16 will entitle NiSource to other equitable and legal remedies, including damages, attorney's fees, and costs, as allowed by law. The provisions of this Section 16 shall continue to apply, in accordance with their terms, after the Grantee's Service has terminated and regardless of whether the provisions of any employment or other agreement between the Company and the Grantee have lapsed.

- (d) In the event the Grantee is required to forfeit outstanding vested Shares as a result of breaching the Grantee's obligations under this Section 16, the Grantee agrees to promptly execute such stock powers or other instruments of transfer in such forms as are acceptable to the Company without payment or other consideration therefor.

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NISOURCE INC.

By: Melanie Berman
Its: Senior Vice President and Chief Human Resources Officer

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VESTING SCHEDULE

[Awards granted in 2024:

- Termination at any time during 2024 or 2025, the award vests in pro rata.
- Termination at any time between January 1, 2026 and the Vesting Date, the award is accelerated and becomes fully vested.]

Exhibit 10.2

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NiSource Inc.

2020 Omnibus Incentive Plan

202[] Performance Share Unit Award Agreement

This Performance Share Unit Award Agreement (the “Agreement”) is made and entered into as of [DATE] (the “Grant Date”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company or an Affiliate (the “Grantee”), pursuant to the terms of the NiSource Inc. 2020 Omnibus Incentive Plan, as amended (the “Plan”). Any term capitalized but not defined in this Agreement shall have the meaning set forth in the Plan. In the event of any conflict between the Plan and this Agreement, the Plan shall control.

Section 1. Performance Share Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, a target award of [insert number of units] Performance Share Units (the “Target Total Award” or “TTA”). The Performance Share Units shall be represented by a bookkeeping entry with respect to the Grantee (the “PSU Account”), and each Performance Share Unit shall be settled in one Share, to the extent provided under this Agreement and the Plan. This Agreement and the award shall be null and void unless the Grantee accepts this Agreement electronically within the Grantee’s stock plan account with the Company’s stock plan administrator according to the procedures then in effect.

Section 2. Performance-Based Vesting Conditions.

(a) **General.** Subject to the remainder of this Agreement, the TTA shall vest pursuant to the terms of this Agreement and the Plan based on the achievement of the performance goals set forth in this Section 2 over the performance period [insert three year performance period] (the “Performance Period”), with a vesting date of _ through [insert date after three year performance period] (the “Vesting Date”), provided that the Grantee remains in continuous Service through the Vesting Date. Attainment of the performance goals shall be determined and certified by the Compensation and Human Capital Committee of the Board of Directors of the Company (the “Committee”) prior to the settlement of the TTA.

(b) **[insert metric] Performance Goal.** Subject to the terms of this Agreement and the Plan, [insert number of performance share units for this metric] Performance Share Units ([] % of the TTA) shall be eligible to vest based on the Company’s achievement of [] during the Performance Period, as follows:

<u>Performance Level(1)</u>	<u>[Insert metric]</u>	<u>Percentage _____ of the TTA Eligible for Vesting</u>
Trigger	[]	[]%
Target	[]	[]%
Stretch	[]	[]%

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(1) The vesting percentage for performance between performance levels shall be determined based on linear interpolation.

(c) [insert metric] Performance Goals.

(1) Subject to the terms of this Agreement and the Plan, [insert number of performance share units for this metric] of the Performance Share Units ([] % of the TTA) shall be eligible to vest based on the Company’s achievement of [] goals during the Performance Period, as follows:

<u>LTI Metrics-Measure</u>	<u>TTA Weighting</u>	<u>Trigger</u>	<u>Target</u>	<u>Stretch</u>
	[insert metrics]			

(2) The total of the weighted levels of achievement for the performance measures described in Section 2(c)(1) above shall be aggregated and the percentage of Performance Share Units eligible to vest under Section 2(c) shall vest in the respective percentages set forth below, as applicable.

<u>Performance Levels(1)</u>	<u>Percentage of the TTA Vesting Based on Achievement</u>
Trigger	[]
Target	[]
Stretch	[]

(1) The vesting percentage for performance between performance levels shall be determined based on linear interpolation.

(d) Definitions.

[insert metric definitions.]

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Section 3. Termination of Employment.

- (a) Vesting. Subject to the conditions described later in this Agreement, the Performance Share Units shall vest on [insert date following performance period] based on actual performance results, provided that the Grantee is continuously employed by the Company through the Vesting Date.
- (b) Pro Rata or Full Vesting Upon Termination of Service. If the Grantee's Service is terminated for any reason prior to the Vesting Date (other than for Cause, Disability or Death), then the Grantee shall vest in a *pro rata* or full portion of such Performance Share Units in accordance with the attached Vesting Schedule, based on the actual performance results for the Performance Period. If subject to *pro rata* vesting, the *pro rata* portion of the Performance Share Units shall be determined by multiplying the number of Performance Share Units earned based on actual performance by a fraction, where the numerator shall be the number of calendar months (whether full or partial months) elapsed between the Grant Date and the date the Grantee terminates Service for any reason (other than for Cause, Disability or Death), and the denominator shall be the number of calendar months (whether full or partial months) elapsed between the Grant Date and the Vesting Date. For the avoidance of doubt, the vesting date remains unchanged.
- (c) Effect of Termination of Service due to Disability or Death.
- (1) Notwithstanding the foregoing, in the event that the Grantee's Service terminates on or prior to the Vesting Date as a result of the Grantee's Disability, or (ii) death and such death occurs with less than or equal to twelve months remaining in the Performance Period, then the Grantee (or the Grantee's beneficiary or estate in the case of the Grantee's death) shall vest in a *pro rata* portion of the Performance Share Units, based on the actual performance results for the Performance Period. Such *pro rata* portion of the Performance Share Units shall be determined by multiplying the number of Performance Share Units earned based on actual performance by a fraction, where the numerator shall equal the number of calendar months (including partial calendar months) that have elapsed from the Grant Date through the date of the Grantee's termination of Service, and the denominator shall be the number of calendar months (including partial calendar months) that have elapsed between the Grant Date and the Vesting Date.
- (2) Notwithstanding the foregoing, in the event that the Grantee terminates Service due to death prior to the Vesting Date and with more than 12 months remaining in the Performance Period, then the Grantee's beneficiary or estate shall vest, on the date of termination of Service, in a *pro rata* portion of the target Performance Share Units. Such *pro rata* portion of the Performance Share Units shall be determined by multiplying the number of target Performance Share Units by a fraction, where the numerator shall equal the number of calendar months (including partial calendar months) that have elapsed from the Grant Date through the date of the Grantee's termination of Service, and the denominator shall be the number of calendar months (including partial calendar months) that have elapsed between the Grant Date and the Vesting Date.

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- (d) Change in Control; Good Reason. Notwithstanding the foregoing provisions, in the event of a Change in Control, the Performance Share Units under this Agreement shall be subject to the Change in Control provisions set forth in the Plan. Notwithstanding any other agreement between the Company and the Grantee, the “Good Reason” definition set forth in the Plan shall govern this award.”

Section 4. Delivery of Shares. Subject to the terms of this Agreement and except as otherwise provided for herein, the Company shall convert the Performance Share Units in the Grantee’s PSU Account into Shares and issue or deliver the total number of Shares due to the Grantee within 60 days following the Vesting Date (but in any event no later than the March 15th immediately following the year in which the substantial risk of forfeiture with respect to the Performance Share Units lapses) or, if earlier, within 30 days following (a) the Grantee’s death in accordance with Section 3(c)(2), (b) Grantee’s termination of Service without Cause or due to Good Reason in accordance with the Change in Control provisions of the Plan or (c) a Change in Control in the event the Performance Share Units do not become Alternative Awards under the Plan. The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has issued or distributed the vested Performance Share Units, the Company shall transfer any Shares with respect to the vested Performance Share Units in accordance with the Grantee’s written beneficiary designation or to the Grantee’s estate if no written beneficiary designation is provided. The issuance or delivery of the Shares hereunder shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 5.

Section 5. Withholding of Taxes. As a condition precedent to the delivery to Grantee of any Shares upon vesting of the Performance Share Units, Grantee shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Performance Share Units. If Grantee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Grantee or withhold Shares. Grantee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (a) a cash payment to the Company; (b) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of previously owned whole Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Performance Share Units (the “Tax Date”), equal to the Required Tax Payments; (c) authorizing the Company to withhold from the Shares otherwise to be delivered to Grantee upon the vesting of the Performance Share Units, a number of whole Shares having a Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments; or (d) any combination of (a), (b) and (c). Shares to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a Share which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by Grantee. No Shares shall be delivered until the Required Tax Payments have been satisfied in full.

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Section 6. Compliance with Applicable Law. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Performance Share Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The delivery of all or any Shares that relate to the Performance Share Units shall be effective only at such time that the issuance of such Shares shall not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. Subject to Code Section 409A, the Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares shall be in compliance with federal or state securities laws and the rules of any exchange upon which the Company's Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery shall not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Performance Share Units have vested under this Agreement, the Performance Share Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Performance Share Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's PSU Account, any Shares or any other specific assets of the Company. All amounts credited to the Grantee's PSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee; Dividend Equivalent Rights.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Performance Share Units subject to this Agreement, nor shall the Company have any obligation to issue any dividend or otherwise afford any rights to which Shares are entitled with respect to any such Performance Share Units. Notwithstanding the foregoing, in the event that the Company declares a cash dividend or distribution on Shares, the Grantee will be credited with Dividend Equivalent Rights equal to the amount of the cash dividend or distribution per Share multiplied by the number of Performance Share Units granted by this Agreement and held by the Grantee on the dividend's or distribution's record date (as adjusted for any proration). The Dividend Equivalent Rights credited to the Grantee under the preceding sentence will be deemed to be reinvested in additional Performance Share Units, which will be subject to the same terms regarding vesting, forfeiture, and Dividend Equivalent Rights as Performance Share Units awarded to the Grantee under this Agreement. Following the Performance Period, the Grantee will be entitled to receive a cash payment equal to the value of the accrued Dividend Equivalent Rights (as adjusted for any proration) multiplied by the vested percentage of the TTA determined under Sections 2(b), 2(c) and 2(d) above.

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- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Performance Share Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan (in each case as determined by the Committee), the number and kind of Performance Share Units and the performance goals, as applicable, shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in the Change in Control provisions of the Plan, any Performance Share Units may be replaced by Alternative Awards or forfeited in exchange for payment of cash in accordance with the Change in Control procedures and provisions of the Plan, as determined by the Committee.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing, and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271 (or at such other address as the Company may designate by notice to the Grantee). Any notice hereunder by the Company shall be given to the Grantee in writing, and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, shall be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Entire Agreement; Agreement Subject to Plan. This Agreement and the Plan contain all of the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. The Grantee hereby acknowledges receipt of a copy of the Plan.

Section 15. Code Section 409A Compliance. This Agreement and the Performance Share Units granted hereunder are intended to be exempt from Code Section 409A to the maximum extent possible, and shall be interpreted and construed accordingly.

Section 16. Restrictive Covenant.

- (a) The Grantee understands the nature of the Company’s business and the significant time and expense the Company and its Affiliates (collectively referred to in this Section as “NiSource”) have expended and continue to expend in attracting, developing, recruiting and training employees and that the loss of employees would cause significant and irreparable harm to NiSource. Accordingly, the Grantee agrees that the scope and duration of the restriction described in this Section 16 is reasonable and necessary to protect the legitimate business interests of NiSource. The Grantee agrees that during the period of the Grantee’s Service and for a period of one (1) year following the Grantee’s separation from Service, the Grantee shall not, without the express written approval of NiSource’s Chief Human Resources Officer, directly or indirectly solicit, hire, recruit, or attempt to solicit, hire, or recruit, any then-current employee of NiSource or any employee who has been employed by NiSource in the six (6) months preceding such solicitation, hiring, or recruitment (“Covered Employee”). Soliciting, recruiting, or hiring Covered Employees with whom Grantee did not work or have direct contact while at NiSource to work as an employee, contractor, consultant or otherwise, shall not be considered a violation of this Section 16(a), provided, however, that Grantee does not solicit, employ or hire such employee with an intent to compete with NiSource in violation of this Section 16(a). Notwithstanding the foregoing, nothing in this Section shall restrict or preclude the Grantee from soliciting or hiring any employee who responds to a general employment solicitation or advertisement or contact by a recruiter that is not specifically focused or targeted on employees or former employees of NiSource, provided that the Grantee has not encouraged or advised such.
- (b) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section is invalid or unenforceable, the parties agree that (a) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (b) the parties shall request that the court exercise that power, and (c) this Agreement in its revised form shall be enforceable.
- (c) Grantee agrees that in the event of a breach or threatened breach of the covenants contained in Section 16(a), in addition to any other damages or restrictions that may apply under any employment agreement, state law, or otherwise, the Grantee shall forfeit, upon written notice to such effect from the Company, any and all Awards granted to the Grantee under this Agreement, including vested Awards and including any proceeds thereof. The forfeiture provisions of this Section shall continue to apply, in accordance with their terms, after the provisions of any employment or other agreement between the Company and the Grantee have lapsed. Grantee expressly acknowledges that any breach or threatened breach of any of the terms and/or conditions of this Section 16 may result in substantial, continuing, and irreparable injury to NiSource, and therefore agrees that, in addition to any other remedy that may be available to NiSource, NiSource shall be entitled to seek injunctive relief, specific performance, or other equitable relief (without the

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requirement to post bond) by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of this Section 16 without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach. Grantee expressly acknowledges that Grantee's violation of this Section 16 will entitle NiSource to other equitable and legal remedies, including damages, attorney's fees, and costs, as allowed by law. The provisions of this Section 16 shall continue to apply, in accordance with their terms, after the Grantee's Service has terminated and regardless of whether the provisions of any employment or other agreement between the Company and the Grantee have lapsed.

- (d) In the event the Grantee is required to forfeit outstanding vested Shares as a result of breaching the Grantee's obligations under this Section 16, the Grantee agrees to promptly execute such stock powers or other instruments of transfer in such forms as are acceptable to the Company without payment or other consideration therefor.

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IN WITNESS WHEREOF, the Company has caused the Performance Share Units subject to this Agreement to be granted, and the Grantee has accepted the Performance Share Units subject to the terms of the Agreement, as of the date first above written.

NISOURCE INC.

By: Melanie Berman
Its: Senior Vice President and Chief Human Resources Officer

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VESTING SCHEDULE

[Awards granted in 2024, for the 2024-2026 Performance Period:

- Termination at any time during 2024 or 2025, the award vests in pro rata.
- Termination at any time between January 1, 2026 and the Vesting Date, the award becomes fully vested.]

Exhibit 10.3

NiSource Inc.
2020 Omnibus Incentive Plan

202[] [Special] Restricted Stock Unit Award Agreement

This [Special] Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [DATE] (the “Grant Date”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company or an Affiliate (the “Grantee”), pursuant to the terms of the NiSource Inc. 2020 Omnibus Incentive Plan, as amended (the “Plan”). Any term capitalized but not defined in this Agreement shall have the meaning set forth in the Plan. In the event of any conflict between the Plan and this Agreement, the Plan shall control.

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [insert number of units] Restricted Stock Units. The Restricted Stock Units shall be represented by a bookkeeping entry (the “RSU Account”) of the Company, and each Restricted Stock Unit shall be equivalent to one share of the Company’s common stock.

Section 2. Grantee Accounts. The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Grantee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

Section 3. Vesting and Lapse of Restrictions.

- (a) **Vesting.** Subject to the forfeiture conditions described later in this Agreement, the Restricted Stock Units shall vest in accordance with the attached Vesting Schedule. Each date is a “Vesting Date” (the “Vesting Date”), at which date the Restricted Stock Units shall become vested, provided that the Grantee is continuously employed by the Company through and including the Vesting Date. Except as set forth in subsection (b) hereof, if Grantee’s Service is terminated for any reason prior to the Vesting Date, the unvested Restricted Stock Units subject to this Agreement shall immediately terminate and be automatically forfeited by Grantee.
- (b) **Effect of Termination of Service Prior to Vesting.** Notwithstanding the foregoing, in the event that the Grantee’s Service terminates prior to the Vesting Date as a result of (i) the Grantee’s Retirement, (ii) the Grantee’s death, or (iii) the Grantee’s Disability, the restrictions set forth in subsection (a) above shall lapse with respect to a *pro rata* portion of such Restricted Stock Units on the date of termination of Service. Such *pro rata* lapse of restrictions shall be determined using a fraction, where the numerator shall be the number of calendar months (whether full or partial months) elapsed between the Grant Date and the date the Grantee terminates Service, and the denominator shall be the number of calendar months (whether full or partial months) between the Grant Date and the Vesting Date. For purposes of this Agreement, “Retirement” means the Grantee’s termination from Service at or after attainment of age 55 and completion of at least 10 years of continuous Service measured from the Grantee’s most recent date of hire with the Company or an Affiliate.

-
- (c) **Change in Control; Good Reason.** Notwithstanding the foregoing provisions, in the event of a Change in Control, the Restricted Stock Units under this Agreement shall be subject to the Change in Control provisions set forth in the Plan. Notwithstanding the foregoing or anything herein to the contrary, in the event the Restricted Stock Units do not become Alternative Awards under the Plan, then the Restricted Stock Units shall be settled within 60 days following the Change in Control; provided, however, in the event the Restricted Stock Units constitute nonqualified deferred compensation subject to Code Section 409A and the Change in Control is not a “change in control event” within the meaning of Code Section 409A, then, to the extent required to comply with Code Section 409A, the vested Restricted Stock Units shall be settled within 60 days following the Vesting Date or, if earlier and subject to Section 4, upon Grantee’s termination of Service. Notwithstanding any other agreement between the Company and the Grantee, the “Good Reason” definition set forth in the Plan shall govern this award.

Section 4. Delivery of Shares. Once Restricted Stock Units have vested under this Agreement, the Company shall convert the Restricted Stock Units in the Grantee’s RSU Account into Shares and issue or deliver the total number of Shares due to the Grantee within 60 days following the Vesting Date or, if earlier, Grantee’s termination of Service in accordance with Section 3(b). Notwithstanding the foregoing, to the extent any portion of the Restricted Stock Units are subject to Code Section 409A, if any Restricted Stock Units vest prior to the Vesting Date in connection with a Grantee’s “separation from service” within the meaning of Code Section 409A and the Grantee is a “specified employee” within the meaning of Code Section 409A at the time of such separation from service, the Shares represented by the vested Restricted Stock Units shall be issued and delivered on the first business day after the date that is six (6) months following the date of the Grantee’s separation from service (or if earlier, the Grantee’s date of death). The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company shall transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Grantee’s written beneficiary designation or to the Grantee’s estate if no written beneficiary designation is provided.

Section 5. Withholding of Taxes. As a condition precedent to the delivery to Grantee of any Shares upon vesting of the Restricted Stock Units or the payment of any cash pursuant to Section 9 hereof, Grantee shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Restricted Stock Units and any such cash payments. If Grantee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Grantee or withhold Shares. Grantee may elect to satisfy his or her obligation to advance the Required Tax Payments with respect to Restricted Stock Units by any of the following means: (a) a cash payment to the Company; (b) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of previously owned whole Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with

the Restricted Stock Units (the "Tax Date"), equal to the Required Tax Payments; (c) authorizing the Company to withhold from the Shares otherwise to be delivered to Grantee upon the vesting of the Restricted Stock Units, a number of whole Shares having a Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments; or (d) any combination of (a), (b) and (c). Shares to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a Share which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by Grantee. No Shares shall be delivered until the Required Tax Payments have been satisfied in full. For any cash payments made pursuant to Section 9 hereof, the Company shall withhold from such cash payments the Required Tax Payments.

Section 6. Compliance with Applicable Law. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Restricted Stock Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The delivery of all or any Shares that relate to the Restricted Stock Units shall be effective only at such time that the issuance of such Shares shall not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. Subject to Code Section 409A, the Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares shall be in compliance with federal or state securities laws and the rules of any exchange upon which the Company's Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery shall not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Restricted Stock Units have vested under this Agreement, the Restricted Stock Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Restricted Stock Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's RSU Account or any other specific assets of the Company. All amounts credited to the Grantee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee; Dividend Equivalent Cash Payments.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Restricted Stock Units. Notwithstanding the foregoing, in the event that the Company declares a cash dividend or cash distribution on Shares, on the payment date of the dividend or distribution, the Grantee will be entitled to receive a cash payment equal to the amount of the cash dividend or distribution per Share multiplied by the number of Restricted Stock Units granted by this Agreement and held by the Grantee on the dividend's or distribution's record date (as adjusted for any proration due to the Grantee's retirement, death, or disability). The cash payable to the Grantee under the preceding sentence, less any taxes required to be withheld under Section 5 hereof, will be distributed to the Grantee as soon as practicable after the date on which the respective cash dividend or distribution is paid to holders of Shares.
- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Restricted Stock Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Restricted Stock Units shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in the Change in Control provisions of the Plan, any Restricted Stock Units may be replaced by Alternative Awards or forfeited in exchange for payment of cash in accordance with the Change in Control procedures and provisions of the Plan.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, shall be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Entire Agreement; Agreement Subject to Plan. This Agreement and the Plan contain all of the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement by reference, and in no way alter or modify the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. This Agreement is pursuant to the terms of the Plan.

Section 15. Code Section 409A Compliance. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for “specified employees” within the meaning of Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A’s rules. If the Grantee is unexpectedly required to include in the Grantee’s current year’s income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

Section 16. Restrictive Covenant.

- (a) The Grantee understands the nature of the Company’s business and the significant time and expense the Company and its Affiliates (collectively referred to in this Section as “NiSource”) have expended and continue to expend in attracting, developing, recruiting and training employees and that the loss of employees would cause significant and irreparable harm to NiSource. Accordingly, the Grantee agrees that the scope and duration of the restriction described in this Section 16 is reasonable and necessary to protect the legitimate business interests of NiSource. The Grantee agrees that during the period of the Grantee’s Service and for a period of one (1) year following the Grantee’s separation from Service, the Grantee shall not, without the express written approval of NiSource’s Chief Human Resources Officer, directly or indirectly solicit, hire, recruit, or attempt to solicit, hire, or recruit, any then-current employee of NiSource or any employee who has been employed by NiSource in the six (6) months preceding such solicitation, hiring, or recruitment (“Covered Employee”). Soliciting, recruiting, or hiring Covered Employees with whom Grantee did not work or have direct contact while at NiSource to work as an employee, contractor, consultant or otherwise, shall not be considered a violation of this Section 16(a), provided, however, that Grantee does not solicit, employ or hire such employee with an intent to compete with NiSource in violation of this Section 16(a). Notwithstanding the foregoing, nothing in this Section shall restrict or preclude the Grantee from soliciting or hiring any employee who responds to a general employment solicitation or advertisement or contact by a recruiter that is not specifically focused or targeted on employees or former employees of NiSource, provided that the Grantee has not encouraged or advised such.
- (b) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section is invalid or unenforceable, the parties agree that (a) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (b) the parties shall request that the court exercise that power, and (c) this Agreement in its revised form shall be enforceable.

-
- (c) Grantee agrees that in the event of a breach or threatened breach of the covenants contained in Section 16(a), in addition to any other damages or restrictions that may apply under any employment agreement, state law, or otherwise, the Grantee shall forfeit, upon written notice to such effect from the Company, any and all Awards granted to the Grantee under this Agreement, including vested Awards and including any proceeds thereof. The forfeiture provisions of this Section shall continue to apply, in accordance with their terms, after the provisions of any employment or other agreement between the Company and the Grantee have lapsed. Grantee expressly acknowledges that any breach or threatened breach of any of the terms and/or conditions of this Section 16 may result in substantial, continuing, and irreparable injury to NiSource, and therefore agrees that, in addition to any other remedy that may be available to NiSource, NiSource shall be entitled to seek injunctive relief, specific performance, or other equitable relief (without the requirement to post bond) by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of this Section 16 without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach. Grantee expressly acknowledges that Grantee's violation of this Section 16 will entitle NiSource to other equitable and legal remedies, including damages, attorney's fees, and costs, as allowed by law. The provisions of this Section 16 shall continue to apply, in accordance with their terms, after the Grantee's Service has terminated and regardless of whether the provisions of any employment or other agreement between the Company and the Grantee have lapsed.
- (d) In the event the Grantee is required to forfeit outstanding vested Shares as a result of breaching the Grantee's obligations under this Section 16, the Grantee agrees to promptly execute such stock powers or other instruments of transfer in such forms as are acceptable to the Company without payment or other consideration therefor.

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NISOURCE INC.

By: Melanie Berman
Its: Senior Vice President and Chief Human Resources Officer

VESTING SCHEDULE

[ANNUAL AWARD]

One hundred percent of the Restricted Stock Units shall vest on [insert three-year cliff vesting date] (the “Vesting Date”)]

<u>Date</u>	<u>Quantity</u>
[]	[]

[SPECIAL AWARD]

[Alternative 1: [insert number of shares] ([]%) of the Restricted Stock Units shall vest on the first anniversary of the Grant Date and [insert number of shares] ([]%) of the Restricted Stock Units hereunder shall vest on the second anniversary of the Grant Date (each a “Vesting Date”)]

[Alternative 2: [insert number of shares] ([]%) of the Restricted Stock Units shall vest on the first anniversary of the Grant Date, [insert number of shares] ([]%) of the Restricted Stock Units awarded hereunder shall vest on the second anniversary of the Grant Date and [insert number of shares] ([]%) of the Restricted Stock Units shall vest on the third anniversary of the Grant Date (each a “Vesting Date”)]

[Alternative 3: one hundred percent of the Restricted Stock Units shall vest on the [first/second/third/fourth] anniversary of the Grant Date (the “Vesting Date”)]

<u>Date</u>	<u>Quantity</u>
[]	[]

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 9, 2024

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 8.01. Other Events.

On February 9, 2024, NiSource Inc. (the “Company”) issued a news release announcing that it will redeem on March 15, 2024 all outstanding shares of its 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share (the “Series B Preferred Stock”) and Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share (the “Series B-1 Preferred Stock”), and the corresponding depository shares, each representing a 1/1,000th ownership interest in one share of the Series B Preferred Stock and a 1/1,000th ownership interest in one share of the Series B-1 Preferred Stock. The news release, a copy of which is attached as Exhibit 99.1 to this report, is incorporated by reference in this Item 8.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed herewith:

<u>EXHIBIT NO.</u>	<u>DESCRIPTION OF EXHIBIT</u>
99.1	News Release, dated February 9, 2024, issued by NiSource Inc.
104	Cover Page Interactive Data File (embedded in the cover page formatted in Inline XBRL)

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: February 9, 2024

By: /s/ Shawn Anderson

Shawn Anderson

Executive Vice President and Chief Financial Officer

Exhibit 99.1



FOR IMMEDIATE RELEASE:
February 9, 2024

NiSource Inc. Announces Redemption of All Depositary Shares Representing Interests in Its 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock and Series B-1 Preferred Stock

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) (“NiSource”) announced today that it will redeem all outstanding shares of its 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share (the “Series B Preferred Stock”) and Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share (the “Series B-1 Preferred Stock”), and the corresponding depositary shares representing interests in the outstanding shares of the Series B Preferred Stock and the Series B-1 Preferred Stock (the “Depositary Shares”), on March 15, 2024 (the “Redemption Date”).

All 20,000,000 Depositary Shares (NYSE: NI PR B) (CUSIP No. 65473P 881), each representing a 1/1,000th ownership interest in one share of the Series B Preferred Stock and a 1/1,000th ownership interest in one share of the Series B-1 Preferred Stock, will be redeemed on the Redemption Date, simultaneously with the redemption of the Series B Preferred Stock and the Series B-1 Preferred Stock, at a redemption price of \$25.00001 per Depositary Share.

The previously declared dividends of \$406.25 per share of the Series B Preferred Stock (equal to \$0.40625 per Depositary Share) for the full regular quarterly dividend period from, and including, December 15, 2023 to, but excluding, March 15, 2024 will be paid separately on March 15, 2024 to holders of record on February 23, 2024 in the customary manner. Accordingly, the redemption price of \$25.00001 per Depositary Share does not include any accumulated and unpaid dividends. On and after the Redemption Date, dividends on the redeemed Series B Preferred Stock and the corresponding Depositary Shares will cease to accumulate.

The Depositary Shares are held through The Depository Trust Company (DTC) and will be redeemed in accordance with the procedures of DTC. Payment to DTC for the Depositary Shares will be made by Computershare Inc. and Computershare Trust Company, N.A., collectively, as redemption agent, in accordance with the Deposit Agreement governing the Depositary Shares. The address for the redemption agent is as follows:

Computershare Trust Company, N.A.
Attn: Corporate Actions
150 Royall St.
Canton, MA 02021

About NiSource

References in this press release to “NiSource” refer to NiSource Inc. and “we,” “us” or “our” refer collectively to NiSource and its subsidiaries.

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 486,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. Based in Merrillville, Indiana, NiSource’s approximately 7,200 employees are focused on safely delivering reliable and affordable energy to our customers and communities we serve. NiSource is a member of the Dow Jones Sustainability Index—North America. NI-F

Forward-Looking Statements

This press release 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 press release include, but are not limited to, statements concerning the redemption and payment of dividends and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release include, but are not limited to, 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, 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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FOR ADDITIONAL INFORMATION

Media

Lynne Evosevich
Corporate Media Relations
(724) 288-1611
levosevich@nisource.com

Investors

Christopher Turnure
Investor Relations
(614) 404-9426
cturnure@nisource.com

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 19, 2024

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

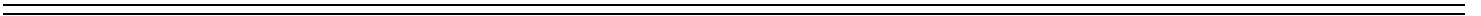
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 19, 2024, Donald Brown informed NiSource Inc. (the “Company”) that he will depart the Company as Executive Vice President and Chief Innovation Officer effective on or before May 1, 2024 (the “Separation Date”). The Company will file subsequent disclosure when the terms of the respective separation are finalized.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: February 20, 2024

By: _____
Kimberly S. Cuccia
Senior Vice President, General Counsel and
Corporate Secretary

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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 21, 2024

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction
of incorporation or organization)

001-16189

Commission
file number

35-2108964

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

**801 East 86th Avenue
Merrillville, IN**

(Address of principal executive offices)

46410

(Zip Code)

Registrant's telephone number, including area code **(877) 647-5990**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 21, 2024, NiSource Inc. (the “Company”) reported its financial results for the year ended December 31, 2023. The Company’s press release, dated February 21, 2024, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated February 21, 2024, issued by NiSource Inc.
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.)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: February 21, 2024

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer
(Principal Accounting Officer)



FOR IMMEDIATE RELEASE:
February 21, 2024

NiSource announces fourth quarter 2023 results

- Achieved 2023 non-GAAP NOEPS at top end of guidance range
- Raising 2024 non-GAAP NOEPS guidance to \$1.70-1.74 from \$1.68-1.72
- Reaffirming 6-8% annual 2023-2028 non-GAAP NOEPS growth
- Successfully closed NIPSCO minority interest transaction in December

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) today announced, on a GAAP basis, 2023 net income available to common shareholders of \$661.7 million, or \$1.48 diluted earnings per share, compared to net income available to common shareholders of \$749.0 million, or \$1.70 diluted earnings per share, for the same period of 2022.

NiSource also reported 2023 non-GAAP net operating earnings available to common shareholders of \$716.3 million, or \$1.60 diluted earnings per share, compared to non-GAAP net operating earnings available to common shareholders of \$648.2 million, or \$1.47 diluted earnings per share, for the same period of 2022. Schedule 1 of this press release contains a complete reconciliation of GAAP measures to non-GAAP measures.**

NiSource is raising 2024 non-GAAP NOEPS guidance to \$1.70-1.74 from \$1.68-1.72. The 5-year \$16 billion base capital expenditure plan drives 2023-2028 annual rate base growth* of 8-10% and annual non-GAAP NOEPS growth of 6-8%.

"Today's 2023 earnings achievement and increased 2024 NOEPS guidance range are a testament to the resiliency of our financial commitments and our superior regulatory and stakeholder foundation." said NiSource President and CEO, Lloyd Yates.

"Meanwhile, the company's balance sheet is now strengthened and more flexible following the successful completion of the NIPSCO minority transaction in December. As we move through the winter season our more than 11,000 employees and contractors should be proud of their work providing safe and reliable service to our nearly four million customers."

*core business rate base growth; select years may exceed range

****Non-GAAP Disclosure Statement**

This press release includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders and diluted earnings per share (NOEPS), which is a non-GAAP financial measure as defined by the SEC. The company includes this measure because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to guidance on NOEPS, NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on net operating earnings due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures. The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP NOEPS guidance to the comparable GAAP equivalents without unreasonable efforts.

Additional Information

Additional information for the quarter ended December 31, 2023, is available on the Investors section of www.nisource.com, including segment and financial information and a presentation, as well as NiSource's social media channels. The company alerts investors that it intends to use the Investors section of its website www.nisource.com and as well as the company's social media channels to disseminate important information about the company to its investors. Investors are advised to look at NiSource's website and its social media channels for future important information about the company.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,400 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission ("SEC").

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FOR ADDITIONAL INFORMATION

<u>Media</u>	<u>Investors</u>	
Lynne Evosevich Corporate Media Relations (724) 288-1611 levosevich@nisource.com	Christopher Turnure Investor Relations (614) 404-9426 cturnure@nisource.com	Michael Weisenburger Investor Relations (614) 202-2595 mweisenburger@nisource.com

Forward-Looking Statements

This Press Release 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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. Forward-looking statements in this press release include, but are not limited to, statements concerning our 2024 guidance on NOEPS, 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 Press Release 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; 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" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, 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.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2023	2022	2021	2023	2022	2021
GAAP Net Income Available to Common Shareholders	\$ 225.6	\$ 230.8	\$ 152.2	\$ 661.7	\$ 749.0	\$ 529.8
Adjustments to Operating Income :						
Operating Revenues:						
Weather - compared to normal	13.4	(3.2)	13.7	60.6	(24.9)	1.2
FAC adjustment ⁽¹⁾	—	—	—	—	8.0	—
Greater Lawrence Incident	—	—	1.2	—	—	9.2
Plant retirement costs	—	—	1.9	—	—	14.1
Operating Expenses:						
NiSource Next initiative ⁽²⁾	—	—	2.6	—	3.3	24.7
Massachusetts Business related amounts ⁽³⁾	—	—	—	—	(105.0)	6.8
Total adjustments to operating income	13.4	(3.2)	19.4	60.6	(118.6)	56.0
Other Income (Deductions):						
Interest rate swap settlement gain	—	(10.0)	—	—	(10.0)	—
Income Taxes:						
Tax effect of above items ⁽⁴⁾	(3.3)	3.4	(4.9)	(15.8)	27.8	(14.6)
Preferred Dividends:						
Preferred dividends redemption premium ⁽⁵⁾	3.6	—	—	9.8	—	—
Total adjustments to net income (loss)	13.7	(9.8)	14.5	54.6	(100.8)	41.4
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	\$ 239.3	\$ 221.0	\$ 166.7	\$ 716.3	\$ 648.2	\$ 571.2
Diluted Average Common Shares	449.3	445.9	428.8	447.9	442.7	417.3
GAAP Diluted Earnings Per Share⁽⁶⁾	\$ 0.50	\$ 0.52	\$ 0.36	\$ 1.48	\$ 1.70	\$ 1.27
Adjustments to diluted earnings (loss) per share	0.03	(0.02)	0.03	0.12	(0.23)	0.10
Non-GAAP Diluted Net Operating Earnings Per Share	\$ 0.53	\$ 0.50	\$ 0.39	\$ 1.60	\$ 1.47	\$ 1.37

⁽¹⁾Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.

⁽²⁾Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

⁽³⁾Represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.

⁽⁴⁾Represents income tax expense calculated using the statutory tax rates for legal entity.

⁽⁵⁾Represents the difference between the carrying value on the redemption date of the Series A Preferred Stock and the total amount of consideration paid to redeem plus an excise tax liability incurred under the IRA, net of the fair value of common shares issued during 2023.

⁽⁶⁾The GAAP Diluted Earnings Per Share numerator is equal to Net Operating Earnings Available to Common Shareholders adjusted for income allocated to participating securities plus add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts.

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 22, 2024

NiSource Inc.
(Exact Name of Registrant as Specified in Charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

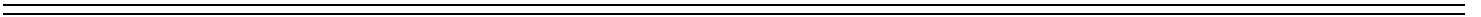
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 1.01 Entry into a Material Definitive Agreement

On February 22, 2024, NiSource Inc. (the “Company”) entered into eight separate equity distribution agreements, each dated February 22, 2024 (the “Equity Distribution Agreements”), (i) among the Company, Barclays Capital Inc., as sales agent and as forward seller, and Barclays Bank PLC, as forward purchaser, (ii) among the Company, BMO Capital Markets Corp., as sales agent and forward seller, and Bank of Montreal, as forward purchaser, (iii) among the Company, BofA Securities, Inc., as sales agent and forward seller, and Bank of America, N.A., as forward purchaser, (iv) between the Company and Goldman Sachs & Co. LLC, in its capacities as sales agent, forward seller and forward purchaser, (v) among the Company, J.P. Morgan Securities LLC, as sales agent and as forward seller, and JPMorgan Chase Bank, National Association, as forward purchaser, (vi) between the Company and Morgan Stanley & Co. LLC, in its capacities as sales agent, forward seller and forward purchaser, (vii) among the Company, MUFG Securities Americas Inc., as sales agent and forward seller, and MUFG Securities EMEA plc, as forward purchaser, and (viii) among the Company, Wells Fargo Securities, LLC, as sales agent (collectively with the other sales agents, the “Agents”) and as forward seller, and Wells Fargo Bank, National Association, as forward purchaser, relating to issuances, offers and sales of shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”) through December 31, 2025. In accordance with the terms of the Equity Distribution Agreements, the Company may offer and sell up to an aggregate gross sales price of \$900,000,000 of its Common Stock (including shares of Common Stock that may be sold pursuant to the forward sale agreements described below, the “Shares”) from time to time through any of the Agents, acting in their capacity as sales agents or as forward sellers, as described below. The Shares may be offered and sold by any method or payment permitted by law to be an “at the market offering” as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), including by means of ordinary brokers’ transactions on the New York Stock Exchange, the existing trading market for our shares of Common Stock, or otherwise at market prices prevailing at the time of sale, or sales made to or through a market maker or through an electronic communications network. The Shares may be offered and sold in amounts and at times to be determined by the Company from time to time, but the Company has no obligation to offer and sell any of the Shares. Actual sales will depend on a variety of factors to be determined by the Company from time to time, including (among others) market conditions, the trading price of the Common Stock and determinations by the Company of the appropriate sources of funding for the Company.

The Equity Distribution Agreements provide that, in addition to the issuance and sale of the Shares by the Company through the Agents in their capacity as Agents, the Company may enter into forward sale agreements with the Agents or certain of their respective affiliates (when acting in its capacity under such a forward sale agreement, a “Forward Purchaser”). Concurrently with, and pursuant to, the Equity Distribution Agreements, the Company entered into eight separate master forward sale confirmations (the “Master Forward Sale Confirmations”), each dated February 22, 2024, with Barclays Bank PLC, Bank of Montreal, Bank of America, N.A, Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Morgan Stanley & Co. LLC, MUFG Securities EMEA plc and Wells Fargo Bank, National Association, respectively, as forward purchasers. In connection with each forward sale agreement under a Master Forward Sale Confirmation, the relevant Forward Purchaser will, at the Company’s request, attempt to borrow from third parties and, through the relevant Agent, sell a number of Shares equal to the number of Shares underlying the particular forward sale agreement to hedge the forward sale agreement (each Agent, when acting as agent for a Forward Purchaser, a “Forward Seller”).

The forward sale price per share under each forward sale agreement will initially equal the product of (1) an amount equal to one minus the applicable forward selling commission and (2) the volume-weighted average price per share at which the borrowed shares of Common Stock were sold pursuant to the particular equity distribution agreement by the relevant forward seller. Thereafter, the forward sale price will be subject to adjustment as described in the relevant forward sale agreement. The forward sale agreements will provide that the forward sale price, as well as the sales prices used to calculate the initial forward sale price, will be subject to increase or decrease based on a floating interest rate factor equal to the specified benchmark’s daily rate less a spread and subject to decrease by amounts related to expected dividends on the Common Stock during the term of the particular forward sale agreement. If the specified benchmark’s daily rate is less than the spread for a particular forward sale agreement on any day, the interest factor will result in a reduction of the applicable forward sale price for such day.

The Company will not initially receive any proceeds from the sale of borrowed Shares of the Company’s Common Stock by a Forward Seller. If the Company elects to physically settle any forward sale agreement by issuing and delivering shares of Common Stock, the Company will receive an amount of cash from the relevant forward purchaser equal to the product of the forward sale price per share under that particular forward sale agreement and the number of shares of Common Stock underlying the particular forward sale agreement. The Company expects to receive proceeds from the sale of Shares by a Forward Seller upon future physical settlement of the relevant forward sale agreement with the relevant Forward Purchaser on dates specified by the Company on or prior to the maturity date of the relevant forward sale agreement. Although the Company expects to settle any forward sale agreement with a full physical settlement, it may, except in limited circumstances

elect a cash or net share settlement for all or a portion of its obligations under such forward sale agreement. If the Company elects to cash settle or net share settle a forward sale agreement, the Company may not (in the case of cash settlement) or will not (in the case of net share settlement) receive any proceeds, and the Company may owe cash (in the case of cash settlement) or shares of Common Stock (in the case of net share settlement) to the relevant Forward Purchaser.

The Company will pay each Agent a commission of up to 2% of the sales price of all Shares issued by the Company and sold through the relevant Agent under the applicable Equity Distribution Agreement. The remaining sales proceeds, after deducting any expenses payable by the Company and any transaction fees imposed by any governmental, regulatory or self-regulatory organization in connection with the sales, will be the Company's net proceeds for the sale of the Shares. In connection with each forward sale agreement, the relevant Forward Seller will receive, in the form of a reduced initial forward sale price payable by the relevant Forward Purchaser under its forward sale agreement, a commission of up to 2% of the volume weighted average of the sales prices of all borrowed shares of Common Stock sold during the applicable period by it as a Forward Seller.

The Shares will be issued pursuant to the Company's automatic shelf registration statement filed with the Securities and Exchange Commission on November 1, 2022 (File No. 333-268084), a base prospectus, dated November 1, 2022, included as part of the registration statement, and a prospectus supplement, dated February 22, 2024, filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended.

The foregoing descriptions of the Equity Distribution Agreements and the Master Forward Sale Confirmations do not purport to be complete and are qualified in their entirety by reference to the terms and conditions of the forms of Equity Distribution Agreement and Master Forward Sale Confirmation, which are filed as Exhibits 1.1 and 1.2, respectively, and are incorporated by reference into this Item 1.01.

Item 8.01 Other Items.

On February 22, 2024, the Company issued a press release announcing the establishment of an "at-the-market" equity offering program. The Company's press release, dated February 22, 2024, is filed as Exhibit 99.1 and is incorporated by reference into this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
1.1	Form of Equity Distribution Agreement
1.2	Form of Master Forward Sale Confirmation
5.1	Opinion of McGuireWoods LLP regarding the legality of the Shares
23.1	Consent of McGuireWoods LLP (included in Exhibit 5.1)
99.1	Press release, dated February 22, 2024, issued by NiSource Inc.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

Cautionary Statement Concerning Forward-Looking Statements

This current report on Form 8-K contains forward-looking statements that are not historical facts, including statements about the anticipated use of proceeds from any sales of Shares. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, and its subsequent filings with the Securities and Exchange Commission ("SEC"), which are available on the Company's website at www.nisource.com and on the SEC's website at www.sec.gov. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events or otherwise, except to the extent required by law.

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: February 22, 2024

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

Exhibit 1.1

NISOURCE INC.
COMMON STOCK, PAR VALUE \$0.01 PER SHARE
EQUITY DISTRIBUTION AGREEMENT

February 22, 2024

February 22, 2024

To: [•]

To the Addressees:

NiSource Inc., a Delaware corporation (the “**Company**”), proposes from time to time (i) to issue and sell shares (the “**Primary Shares**”) of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), through [•] (the “**Manager**”), acting as sales agent, and (ii) in consultation with the Forward Purchaser (as defined below) and the Manager, to instruct borrowed shares (the “**Forward Hedge Shares**”, and together with the Primary Shares, the “**Shares**”) of Common Stock to be sold through the Manager, acting in its capacity as agent for the Forward Purchaser as forward seller (the “**Forward Seller**”) for [•] or one or more of its affiliates (the “**Forward Purchaser**”) in connection with one or more Confirmations (as defined below), in each case on the terms set forth in this equity distribution agreement (this “**Agreement**”).

The Company has also entered into Equity Distribution Agreements (collectively, the “**Alternative Equity Distribution Agreements**”), each dated as of even date herewith, with each of [•],[•], [•] and [•] (each, in its capacity as sales agent and as forward seller thereunder, an “**Alternative Manager**”) [and each of their related Alternative Forward Purchaser (as defined below)] for the issuance and/or sale from time to time through the Alternative Managers of Shares on the terms set forth in the Alternative Equity Distribution Agreements and also may enter into one or more forward stock purchase transactions (collectively, the “**Alternative Confirmations**”) with [•],[•],[•] or [•] as a forward purchaser thereunder (the “**Alternative Forward Purchasers**”). This Agreement and the Alternative Equity Distribution Agreements are collectively referred to herein as the “**Equity Distribution Agreements**.” The Company, the Manager, the Forward Seller and the Forward Purchaser understand that the aggregate gross sales price of Shares to be sold pursuant to the Equity Distribution Agreements shall not exceed \$900,000,000 in the aggregate (the “**Maximum Program Amount**”).

The Company may enter into one or more forward stock purchase transactions with the Forward Purchaser as set forth in the applicable Confirmations. In connection therewith, the Forward Purchaser, through the Forward Seller, will effect sales of Forward Hedge Shares on the terms set forth in Section 2 of this Agreement. “**Confirmation**” means, for each Forward Sale (as defined below), the contract evidencing such Forward Sale between the Company and the Forward Purchaser, which shall be comprised of the Master Confirmation for Forward Sale, dated as of the date hereof, by and between the Company and the Forward Purchaser, including all provisions incorporated by reference therein (the “**Master Forward Confirmation**”), and the related “**Supplemental Confirmation**” and “**Pricing Report**” (each, as defined in the Master Forward Confirmation).

The Company has filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement (File No. 333-268084), including a prospectus, on Form S-3, relating to the securities (the “**Shelf Securities**”), including the Shares, to be issued from time to time by the Company and/or to be sold through the Manager, the Forward Seller or the Alternative Managers as forward sellers pursuant to the Equity Distribution Agreements. The registration statement as of its most recent effective date, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A or Rule 430B under the Securities Act of 1933, as amended (the “**Securities Act**”), is hereinafter referred to as the “**Registration Statement**”, and the related prospectus covering the Shelf Securities and filed as part of the Registration Statement, together with any amendments or supplements thereto as of the most recent effective date of the Registration Statement, is hereinafter referred to as the “**Basic Prospectus**”. “**Prospectus Supplement**” means the final prospectus supplement, relating to the Shares, filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act on or before the second business day after the date hereof, in the form furnished by the Company to the Manager, the Forward Seller or the Forward Purchaser, as applicable, in connection with the offering of the Shares. Except where the context otherwise requires, “**Prospectus**” means the Basic Prospectus, as supplemented by the Prospectus Supplement and the most recent Interim Prospectus Supplement (as defined below), if any. Notwithstanding the foregoing, if any revised basic prospectus, prospectus supplement or prospectus shall be provided to the Manager, the Forward Seller or the Forward Purchaser, as applicable, by the Company for use in connection with the offering and sale of the Shares which differs from the Basic Prospectus, Prospectus Supplement or Prospectus, as the case may be (whether or not such revised basic prospectus, prospectus supplement or prospectus is required to be filed by the Company pursuant to Rule 424(b) under the Securities Act), the terms “**Basic Prospectus**,” “**Prospectus Supplement**” and “**Prospectus**” shall refer to such revised basic prospectus, prospectus supplement or prospectus, as the case may be, from and after the time it is first provided to the Manager, the Forward Seller or the Forward Purchaser, as applicable, for such use. For purposes of this Agreement, “**free writing prospectus**” has the meaning set forth in Rule 405 under the Securities Act. “**Permitted Free Writing Prospectuses**” means the documents listed on Schedule I hereto or otherwise approved in writing by the Manager, the Forward Seller or the Forward Purchaser, as applicable, in accordance with Section 6(b), and “**broadly available road show**” means a “bona fide electronic road show” as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms “**Registration Statement**”, “**Basic Prospectus**”, “**Prospectus Supplement**”, “**Interim Prospectus Supplement**” and “**Prospectus**” shall include the documents, if any, incorporated by reference therein as of the date hereof. The terms “**supplement**”, “**amendment**” and “**amend**” as used herein with respect to the Registration Statement, the Basic Prospectus, the Prospectus Supplement, any Interim Prospectus Supplement or the Prospectus shall include all documents subsequently filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), that are deemed to be incorporated by reference therein (the “**Incorporated Documents**”).

1. *Representations and Warranties.* The Company represents and warrants to and agrees with the Manager, the Forward Seller and the Forward Purchaser:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect; and no proceedings for such purpose or pursuant to Section 8(A) of the Securities Act are pending before or threatened by the Commission. The Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) eligible to use the Registration Statement as an automatic shelf registration statement, and the Company has not received notice that the Commission objects to the use of the Registration Statement as an automatic shelf registration statement.

(b) (i) (A) At the respective times the Registration Statement and each amendment thereto became effective, (B) at each deemed effective date with respect to the Manager pursuant to Rule 430B(f)(2) under the Securities Act (each, a “**Deemed Effective Time**”), (C) as of each time Shares are sold pursuant to this Agreement (each, a “**Time of Sale**”), (D) at each Settlement Date (as defined below) and (E) at all times during which a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with any sale of Shares (the “**Delivery Period**”), the Registration Statement complied and will comply in all material respects with the requirements of the Securities Act and the rules and regulations under the Securities Act; (ii) the Basic Prospectus complied, or will comply, at the time it was, or will be filed, with the Commission, complies as of the date hereof (if filed with the Commission on or prior to the date hereof) and, as of each Time of Sale and at all times during the Delivery Period, will comply in all material respects with the rules and regulations under the Securities Act; (iii) each of the Prospectus Supplement, any Interim Prospectus Supplement and the Prospectus will comply, as of the date that such document is filed with the Commission, as of each Time of Sale, as of each Settlement Date and at all times during the Delivery Period, in all material respects with the rules and regulations under the Securities Act; and (iv) the Incorporated Documents, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and any further Incorporated Documents so filed and incorporated by reference, when they are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder.

(c) (i) As of the date hereof, at the respective times the Registration Statement and each amendment thereto became effective and at each Deemed Effective Time, the Registration Statement did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) as of each Time of Sale, the Prospectus (as amended and supplemented at such Time of Sale) and any Permitted Free Writing Prospectus then in use, considered together (collectively, the “**General Disclosure Package**”), did not contain any untrue

statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) as of its date, the Prospectus did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iv) at any Settlement Date, the Prospectus (as amended and supplemented at such Settlement Date) did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to any statement or omission made in reliance upon and in conformity with information furnished in writing to the Company by the Manager, the Forward Seller or the Forward Purchaser, as applicable, expressly for use in the Prospectus or in the General Disclosure Package. For purposes of this Agreement, the only information so furnished in the Registration Statement, the Prospectus, the Prospectus Supplement (including any Interim Prospectus Supplement), the General Disclosure Package, any Permitted Free Writing Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, or any amendment or supplement thereto, shall be the Manager's or the Forward Seller's, as applicable, name on the cover of the Prospectus (as applicable, the "**Manager Information**").

(d) Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Shares or until any earlier date that the Company notified or notifies the Manager, the Forward Seller or the Forward Purchaser, as applicable, did not, does not and will not include any material information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Prospectus. Each broadly available road show, if any, when considered together with the General Disclosure Package, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except for the Permitted Free Writing Prospectuses, if any, and electronic road shows, if any, furnished to and approved by the Manager, the Forward Seller or the Forward Purchaser, as applicable, in accordance with Section 6(b), the Company has not prepared, used or referred to, and will not, prepare, use or refer to, any free writing prospectus.

(e) (i) (A) At the time of filing the Registration Statement, (B) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus) and (C) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c) under the Securities Act) made any offer relating to the Shelf Securities in reliance on the exemption of Rule 163 under the Securities Act, the Company was not an “ineligible issuer” as defined in Rule 405 under the Securities Act; and (ii)(A) at the time of filing of the Registration Statement, (B) at the earliest time thereafter that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and (C) at the date hereof, the Company was not and is not an “ineligible issuer” as defined in Rule 405 under the Securities Act.

(f) The Company has been duly incorporated and is a validly existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in each of the Registration Statement, the Prospectus and the General Disclosure Package; and the Company is duly qualified to transact business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; all of the issued and outstanding capital stock of the Company has been duly authorized and validly issued and is fully paid and nonassessable.

(g) Each significant subsidiary (as defined in Rule 405 under the Securities Act) of the Company (each direct and indirect significant subsidiary of the Company being hereinafter referred to as a “**Significant Subsidiary**” and all such direct and indirect significant subsidiaries of the Company being hereinafter referred to collectively as the “**Significant Subsidiaries**”) has been duly incorporated or duly formed and is a validly existing corporation or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its incorporation or formation, with power and authority (corporate or limited liability, and other) to own its properties and conduct its business as described in each of the Registration Statement, the Prospectus and the General Disclosure Package; and each Significant Subsidiary is duly qualified to do business as a foreign corporation or limited liability company, as the case may be, in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; all of the issued and outstanding capital stock or other equity interests of each Significant Subsidiary has been duly authorized and validly issued and is fully paid and, to the extent applicable, nonassessable; and except as otherwise disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, all of the capital stock or other equity interests of each Significant Subsidiary is owned by the Company, directly or through subsidiaries, free from liens, encumbrances and defects.

(h) The Primary Shares, any shares of Common Stock to be delivered by the Company to the Forward Purchaser pursuant to any Confirmation or to any Alternative Forward Purchaser pursuant to any Alternative Confirmation (the “**Confirmation Shares**”) and all other outstanding shares of capital stock of the Company have been duly authorized; all outstanding shares of capital stock of the Company are, and, when the Primary Shares and any Confirmation Shares have been delivered and paid for in accordance with this Agreement or any Confirmation, such shares of Common Stock will have been validly issued, fully paid and nonassessable and will conform to the descriptions thereof contained in each of the Registration Statement, the Prospectus and the General Disclosure Package; and the stockholders of the Company have no preemptive rights with respect to such shares of Common Stock.

(i) Except for the discounts and commissions payable by the Company to the Manager, the Forward Seller, the Forward Purchaser, any Alternative Manager or any Alternative Forward Purchaser in connection with the offering of the Shares contemplated herein or in any Alternative Equity Distribution Agreement or as otherwise disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company, the Forward Purchaser, the Forward Seller, or the Manager for a brokerage commission, finder’s fee or other like payment in connection with the sale of the Shares.

(j) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities with the securities registered pursuant to the Registration Statement or with any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(k) The outstanding shares of Common Stock are listed on The New York Stock Exchange LLC (the “**Exchange**”), and the Primary Shares and any Confirmation Shares have been approved for listing on the Exchange, subject to notice of issuance.

(l) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement and each Confirmation, in connection with the issuance and sale of the Shares by the Company, except such as have been obtained and made under the Securities Act, and such as may be required under the Federal Power Act, the Exchange Act and state securities laws.

(m) The execution, delivery and performance of this Agreement, any Confirmation and the issuance and sale of the Shares will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) the charter or by-laws of the Company or any subsidiary of the Company (each direct and indirect subsidiary of the Company being hereinafter referred to as a “**Subsidiary**” and all such direct and indirect subsidiaries of the Company being hereinafter referred to collectively as the “**Subsidiaries**”), (ii) any statute or any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any Subsidiary or any of their properties, or (iii) any agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound or to which any of the properties of the Company or any Subsidiary is subject, except in the case of clauses (ii) and (iii) where such violation, breach or default would not, individually or in the aggregate, have a material adverse effect on the condition (financial or other), business, properties, or results of operations of the Company and the Subsidiaries taken as a whole (“**Material Adverse Effect**”) and would not materially and adversely affect the ability of the Company to perform its obligations under this Agreement, any Confirmation, or which would otherwise be material in the context of the sale of the Shares; and the Company has full power and authority to authorize, issue and sell the Shares as contemplated by this Agreement or any Confirmation.

(n) This Agreement has been duly authorized, executed and delivered by the Company.

(o) Except as disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, the Company and the Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially interfere with the use made or to be made thereof by them or would, individually or in the aggregate, have a Material Adverse Effect; and except as disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, the Company and the Subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them or would, individually or in the aggregate, have a Material Adverse Effect.

(p) The Company and the Subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of the Subsidiaries would, individually or in the aggregate, have a Material Adverse Effect.

(q) Except as disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, neither the Company nor any Significant Subsidiary has any material contingent liability.

(r) Except as disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, there are no pending actions, suits, proceedings or investigations against or affecting the Company or any Subsidiary or any of their respective properties, assets or operations that could, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect or to affect materially and adversely the ability of the Company to perform its obligations under this Agreement and each Confirmation, or which are otherwise material in the context of the sale of the Shares; and, to the knowledge of the Company, no such actions, suits, proceedings or investigations are threatened.

(s) The financial statements of the Company included or incorporated by reference in each of the Registration Statement, the Prospectus and the General Disclosure Package present fairly the financial position of the entity presented and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and, except as otherwise disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis with all other financial statements presented for such entity; and any schedules included or incorporated by reference in each of the Registration Statement, the Prospectus and the General Disclosure Package present fairly the information required to be stated therein. The interactive data in eXtensible Business Reporting Language included or incorporated by reference in each of the Registration Statement, the General Disclosure Package and the Prospectus fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(t) Except as disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, since the date of the latest audited financial statements included or incorporated by reference in each of the Registration Statement, the Prospectus and the General Disclosure Package, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and the Subsidiaries taken as a whole, and, except as disclosed in or contemplated by each of the Registration Statement, the Prospectus and the General Disclosure Package, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(u) The Company is not, and after giving effect to the offering and sale of the Shares, the consummation of the transactions contemplated by any Confirmation or any Alternative Confirmation and the application of the proceeds thereof as described in each of the Registration Statement, the Prospectus and the General Disclosure Package will not be, an “investment company” as defined in the Investment Company Act of 1940, as amended.

(v) [Reserved].

(w) The Company maintains a system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company’s management as appropriate to allow timely decisions regarding required disclosure. The Company has carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 under the Exchange Act.

(x) The Company maintains a system of “internal control over financial reporting” (as defined in Rule 13a-15(f) under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by, or under the supervision of, its principal executive and principal financial officers, or persons performing similar functions, 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, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with the Company’s management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(y) The Master Forward Confirmation has been duly authorized, executed and delivered by the Company and constitutes, and any Supplemental Confirmation will be duly authorized, executed and delivered by the Company and will constitute, a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors’ rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law). The description of the Master Forward Confirmation set forth in the Prospectus and the General Disclosure Package is correct in all material respects.

(z) Assuming that the Forward Seller complies with Rule 173 under the Securities Act in connection with the sales of Shares in an amount not greater than the Number of Shares (as defined in each applicable Confirmation) and assuming that the Forward Seller complies with the requirements of the letter dated October 6, 2003 submitted on behalf of Goldman, Sachs & Co. to Paula Dubberly of the staff of the Securities and Exchange Commission (the “Staff”), to which the Staff responded in an interpretive letter dated October 9, 2003, in connection with closing out open borrowings of Common Stock created in the course of the hedging activities set forth below, (i) the issuance and sale by the Company of the Confirmation Shares to the Forward Purchaser in settlement of any Confirmation in accordance with the terms thereof and the delivery by the Forward Purchaser or its affiliate of the Confirmation Shares during the term of and at settlement of any Confirmation to close out open borrowings of Common Stock created in the course of the hedging activities created by the Forward Purchaser or its affiliate relating to its exposure under any Confirmation will not require registration under the Securities Act, (ii) the Company will not have an obligation to file a prospectus supplement pursuant to Rule 424(b) under the Securities Act regulations in connection with any Confirmation Shares delivered to the Forward Purchaser or its affiliate by the Company upon such settlement, and (iii) no prospectus supplement will be required to be filed under Rule 424(b) under the Securities Act in connection with any Confirmation Shares delivered by the Forward Purchaser or its affiliate to close out open borrowings created in the course of the hedging activities created by the Forward Purchaser or its affiliate relating to its exposure under any Confirmation. Except for the Alternative Equity Distribution Agreements and as otherwise disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, the Company has not entered into any other sales agreements or other similar arrangements with any agent or any other representative in respect of at the market offerings of the Shares in accordance with Rule 415(a)(4) under the Securities Act.

(aa) (i) None of the Company or any of the Subsidiaries or any director or officer thereof, or, to the Company’s knowledge, any employee, agent or representative thereof, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) (“**Government Official**”) in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and the Subsidiaries and affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (iii) neither the Company nor the Subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(bb) The operations of the Company and the Subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and the Subsidiaries conduct business, the rules and regulations thereunder and any applicable related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of the Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(cc) (i) None of the Company or any Subsidiary or any director or officer thereof, or, to the Company’s knowledge, any employee, agent, affiliate or representative thereof, is an individual or entity (“**Person**”) that is, or is owned or controlled by one or more Persons that are:

(A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the United Nations Security Council, the European Union, His Majesty’s Treasury, or other relevant sanctions authority (collectively, “**Sanctions**”), or

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, the Crimea region, Cuba, Iran, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the non-governmental controlled areas of the Zaporizhzhia and Kherson regions of Ukraine, North Korea and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past 5 years, the Company and the Subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(dd) (i)(A) Except as disclosed in each of the Registration Statement, the Prospectus and the General Disclosure Package, there has been no security breach or other compromise of or relating to any of the Company's or any Subsidiary's information technology and computer systems, networks, hardware, software, data (including the data of their respective customers, employees, suppliers, vendors and any third-party data maintained by or on behalf of it), equipment or technology (collectively, "**IT Systems and Data**") and (B) the Company and the Subsidiaries have not been notified of, and have no knowledge of any event or condition that would reasonably be expected to result in, any security breach or other compromise to their IT Systems and Data, except as would not, in the case of this clause (i), individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) the Company and the Subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the commercially reasonable protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, in the case of this clause (ii), individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) the Company and the Subsidiaries have implemented backup and disaster recovery technology reasonably consistent with industry standards and practices.

2. *Sale of Securities.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, (x) the Company and the Manager agree that the Company may from time to time issue and sell Shares through the Manager, acting as sales agent (any such sale, a "**Direct Sale**") or (y) the Company may from time to time, in consultation with the Forward Purchaser and the Forward Seller, instruct Forward Hedge Shares to be sold through the Manager, acting as forward seller (any such sale, a "**Forward Sale**").

(a) If the Company wishes that the Manager or the Forward Seller, as applicable, sell Shares, then it shall instruct the Manager or the Forward Seller, as applicable, by email (including any price, time or size limits or other customary parameters or conditions) to sell such Shares on any Trading Day (as defined below) using a form substantially similar to that attached hereto as Exhibit A (the "**Transaction Confirmation**"). Such Transaction Confirmation shall also (i) specify whether such Shares will be sold through the Manager, acting as sales

agent in a Direct Sale, or through the Forward Seller in connection with a Forward Sale and (ii) if such Transaction Confirmation specifies that it relates to a Forward Sale, be accompanied by a duly executed Supplemental Confirmation, with terms corresponding to such Forward Sale. If the Manager, the Forward Seller or the Forward Purchaser, as applicable, wishes to accept the proposed terms included in the Transaction Confirmation and, if applicable, Supplemental Confirmation (which they may decline to do for any reason in their sole discretion) or, following discussion with the Company, wishes to accept amended terms, then the Manager, the Forward Seller or the Forward Purchaser, as applicable, will issue to the Company a notice by email (or other method mutually agreed to in writing by the parties hereto) setting forth the terms that the Manager, the Forward Seller and Forward Purchaser are willing to accept. Where the terms provided in the Transaction Confirmation and, if applicable, Supplemental Confirmation, are amended as provided for in the immediately preceding sentence, such terms will not be binding on the Company, the Manager or the Forward Seller and the Forward Purchaser, as applicable, until the Company confirms its acceptance of all of the terms of such Transaction Confirmation, as amended, by email or telephone, with confirmation to be provided promptly thereafter by email (or other method mutually agreed to in writing by the parties hereto), along with, to the extent necessary, a duly executed amended Supplemental Confirmation with terms corresponding to such amended Transaction Confirmation. Notwithstanding the foregoing, the Company and the Manager and/or Forward Seller may elect that, with respect to any Direct Sale or Forward Sale, the Manager shall deliver the applicable Transaction Confirmation and, if applicable, Supplemental Confirmation, to the Company, which may acknowledge and agree to such Transaction Confirmation and, if applicable, Supplemental Confirmation, in writing. No Transaction Confirmation may be delivered if an ex-dividend date or ex-date, as applicable for any dividend or distribution payable by the Company on the Common Stock, is scheduled to occur during the period from, and including, the first scheduled Trading Day of the related Forward Hedge Selling Period (as defined in the Transaction Confirmation) to, and including, the last scheduled Trading Day of such Forward Hedge Selling Period. No selling period for the Shares may overlap in whole or in part with any "Unwind Period" (as defined in the Transaction Confirmation) under any Confirmation or Alternative Confirmations. As used herein, "**Trading Day**" shall mean any trading day on the Exchange, other than a day on which the Exchange is scheduled to close prior to its regular closing time. The Company agrees that any offer to sell, any solicitation of an offer to buy, or any sales of Shares pursuant to this Agreement or the Alternative Equity Distribution Agreements shall be effected by or through only the Manager or the Forward Seller, as applicable, or an Alternative Manager under an Alternative Distribution Agreement, as applicable, on any single day, but in no event by more than one of them, and the Company shall in no event request that the Manager or the Forward Seller, as applicable, and the Alternative Managers sell Shares on the same day.

(b) Subject to the terms and conditions hereof and, with respect to a Forward Sale, the applicable Confirmation, the Manager or the Forward Seller, as applicable, shall use its commercially reasonable efforts to execute any Company order submitted to it hereunder to sell Shares with respect to which the Manager has agreed to act as sales agent, if a Direct Sale, or as the Forward Seller, if a Forward Sale, respectively. The Company acknowledges and agrees that (i) there can be no assurance that the Manager or the Forward Seller, as applicable, will be successful in selling the Shares; (ii) the Manager or the Forward Seller, as applicable, will incur no liability or obligation to the Company, the Forward Purchaser or any other person or entity if it does not sell Shares for any reason and (iii) the Manager or the Forward Seller, as applicable, shall be under no obligation to purchase Shares on a principal basis pursuant to this Agreement.

(c) The Company shall not authorize the issuance or sale of, and the Manager or the Forward Seller, as applicable, shall not sell, any Share at a price lower than the minimum price therefor designated by the Company pursuant to Section 2(a) of this Agreement. In addition, the Company, the Manager or the Forward Seller, as applicable, may, upon notice to the other party hereto by telephone (confirmed promptly by email), suspend an offering of the Shares pursuant to this Agreement; *provided, however*, that such suspension or termination shall not affect or impair the parties' respective obligations with respect to the Shares sold hereunder prior to the giving of such notice. Under no circumstances shall the aggregate offering price of Shares sold pursuant to this Agreement and the Alternative Equity Distribution Agreements exceed the Maximum Program Amount.

(d) The Manager or the Forward Seller, as applicable, shall provide written confirmation (which may be by email) to the Company following the close of trading on the Exchange each day in which Shares are sold under this Agreement setting forth (i) the amount of Shares sold on such day, (ii) the price or prices at which such Shares were sold on such day, (iii) the gross offering proceeds received from such sale, (iv) the aggregate Net Proceeds (as defined below) to the Company or the Forward Purchaser, as applicable, and (v) the commission payable by the Company to the Manager or the Forward Seller, as applicable, with respect to such sales, which shall be set forth and invoiced in periodic statements from the Manager to the Company, with payment to be made by the Company promptly after its receipt thereof.

(e) At each Time of Sale, Settlement Date and Representation Date (as defined below), the Company shall be deemed to have affirmed each representation and warranty contained in this Agreement. Any obligation of the Manager or the Forward Seller, as applicable, to use its commercially reasonable efforts to sell the Shares on behalf of the Company as sales agent or the Forward Seller, as applicable, shall be subject to the continuing accuracy of the representations and warranties of the Company herein, to the performance by the Company of its obligations hereunder and to the continuing satisfaction of the additional conditions specified in Section 5 of this Agreement.

(f) Notwithstanding any other provision of this Agreement, the Company, the Manager and the Forward Seller agree that no sales of Shares shall take place, the Company shall not request the sales of any Shares that would be sold, the Manager and the Forward Seller shall not be obligated to sell or offer to sell Shares, and the Company shall not request the amendment of the Transaction Confirmation and, if applicable, any Supplemental Confirmation, during (i) the period beginning on the first business day after the end of each calendar quarter through and including the end of the first business day following the date on which the Company files a Quarterly Report on Form 10-Q or an Annual Report on Form 10-K that includes consolidated financial statements as of and for the applicable fiscal periods to which such report relates or (ii) any other period in which the Company is in possession of material non-public information.

(g) Notwithstanding anything herein to the contrary, in the event that, in the Forward Purchaser's sole judgement, it (or its affiliate) (i) is unable, after using commercially reasonable efforts, to borrow and deliver for sale the full number of Forward Hedge Shares to be borrowed and sold pursuant to this Agreement or (ii) would incur a stock loan cost that is more than the rate set forth in the applicable Supplemental Confirmation, then the Forward Seller shall be required to sell on behalf of the Forward Purchaser (or its affiliate) only the aggregate number of Forward Hedge Shares that the Forward Purchaser (or its affiliate) is able to so borrow below such cost.

3. *Fee.* (a) (i) The compensation to the Manager for sales of the Primary Shares with respect to which the Manager acts as sales agent hereunder shall be an amount not to exceed 2.00% of the gross offering proceeds of the Shares sold pursuant to this Agreement and (ii) the compensation payable to the Forward Seller for sales of Forward Hedge Shares shall be an amount not to exceed 2.00% of the volume weighted average of the sales prices of all Forward Hedge Shares sold during the applicable period by the Forward Seller, unless the parties otherwise agree. The remaining proceeds shall constitute the net proceeds to the Company or the Forward Purchaser, as applicable, for such sales (the "**Net Proceeds**").

(b) If this Agreement is terminated by the Company prior to December 31, 2025 in accordance with the provisions of Section 10 of this Agreement and, at the time of the Company's notice of termination, the gross purchase price of the Shares sold pursuant to this Agreement is less than \$100,000,000, the Company shall reimburse the Manager or the Forward Seller, as applicable, for all of its reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Manager, the Forward Seller and the Forward Purchaser incurred by it in connection with the offering contemplated by this Agreement.

4. *Payment, Delivery and Other Obligations.* Settlement for sales of the Shares pursuant to this Agreement will occur on the second Trading Day (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made.

(a) On each date of settlement of any Direct Sale (each such day, a “**Direct Settlement Date**”), the Primary Shares sold through the Manager for settlement on such date shall be issued and delivered by the Company to the Manager against payment by the Manager of the Net Proceeds from the sale of such Primary Shares. Settlement for all such Primary Shares shall be effected by free delivery of the Primary Shares by the Company or its transfer agent to the Manager’s or its designee’s account (*provided* that the Manager shall have given the Company written notice of such designee prior to the Settlement Date) at The Depository Trust Company or by such other means of delivery as may be mutually agreed upon by the relevant parties hereto, which in all cases shall be freely tradable, transferable, registered shares in good deliverable form, in return for payment in same day funds delivered to the account designated by the Company. If the Company, or its transfer agent (if applicable), shall default on its obligation to deliver the Primary Shares on any Direct Settlement Date, the Company shall (i) hold the Manager harmless against any loss, claim, damage, or expense (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company and (ii) pay the Manager any commission, discount or other compensation to which it would otherwise be entitled absent such default.

(b) On each date of settlement for any Forward Sale (each such day, a “**Forward Settlement Date**”), the Forward Hedge Shares shall be delivered by the Forward Purchaser (or its affiliate) to the Forward Seller in book-entry form to the Forward Seller’s account at The Depository Trust Company against payment by the Forward Seller of the Net Proceeds from the sale of such Forward Hedge Shares in same day funds delivered to an account designated by the Forward Purchaser (or its affiliate), or by such other means of delivery as may be mutually agreed upon by the relevant parties hereto. For purposes of this Agreement, references to “**Settlement Date**” shall include any Direct Settlement Date and any Forward Settlement Date.

5. *Conditions to the Manager’s and Forward Seller’s Obligations.* The obligations of the Manager and the Forward Seller are subject to the following conditions:

(a) Since the later of (A) the date of this Agreement and (B) the immediately preceding Representation Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of the Subsidiaries by any “nationally recognized statistical rating organization”, as such term is defined in Section 3(a)(62) of the Exchange Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and the Subsidiaries, taken as a whole, from the respective dates of the Registration Statement, the Prospectus and the General Disclosure Package that, in the Manager's or the Forward Seller's judgment, is material and adverse and that makes it, in the Manager's or the Forward Seller's judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

(b) The Manager, the Forward Seller and the Forward Purchaser shall have received on each date specified in Section 6(l) of this Agreement a certificate, dated such date and signed by an executive officer or treasurer of the Company, to the effect set forth in Sections 5(a)(i) and 5(a)(ii) of this Agreement and to the effect that (i) the representations and warranties of the Company contained in this Agreement are true and correct as of such date; (ii) the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before such date; (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8(A) of the Securities Act has been initiated or, to the knowledge of the Company, threatened by the Commission; (iv) the Prospectus Supplement, any Interim Prospectus Supplement and each Permitted Free Writing Prospectus have been timely filed with the Commission under the Securities Act (in the case of a Permitted Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act), and all requests for additional information on the part of the Commission have been complied with or otherwise satisfied; (v) as of such date and as of each Time of Sale, if any, subsequent to the immediately preceding Representation Date, the Registration Statement did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and (vi) as of such date and as of each Time of Sale, if any, subsequent to the immediately preceding Representation Date, the General Disclosure Package did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that no such certificate shall apply to any statements or omissions made in reliance upon and in conformity with the Manager Information.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) (i) The Manager and, if applicable, the Forward Seller and the Forward Purchaser shall have received on each date specified in Section 6(m) of this Agreement, an opinion and negative assurance letter of outside counsel for the Company, dated such date, in form and substance reasonably satisfactory to the Manager and if applicable, the Forward Seller and the Forward Purchaser; and

(ii) The Manager and, if applicable, the Forward Seller and the Forward Purchaser shall have received on each date specified in Section 6(m) of this Agreement, an opinion of internal counsel for the Company, dated such date, in form and substance satisfactory to the Manager and, if applicable, the Forward Seller and the Forward Purchaser.

The opinions of counsel for the Company described in Sections 5(c)(i) and 5(c)(ii) of this Agreement shall be rendered to the Manager and, if applicable, the Forward Seller and the Forward Purchaser at the request of the Company and shall so state therein.

(d) The Manager, the Forward Seller and the Forward Purchaser shall have received on each date specified in Section 6(n) of this Agreement, an opinion and negative assurance letter of Hunton Andrews Kurth LLP, counsel for the Manager, the Forward Seller and the Forward Purchaser, dated such date, in form and substance reasonably satisfactory to the Manager.

(e) The Manager shall have received on each date specified in Section 6(o) of this Agreement, a letter dated such date in form and substance satisfactory to the Manager, from Deloitte & Touche LLP, independent public accountants for the Company, (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act, the Exchange Act and the Public Company Accounting Oversight Board, (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings (the first such letter, the "**Initial Comfort Letter**") and (iii) updating the Initial Comfort Letter with any information that would have been included in the Initial Comfort Letter had it been given on such date and modified as necessary to relate to the Registration Statement, the Prospectus Supplement, the Prospectus or any issuer free writing prospectus, as amended and supplemented to the date of such letter.

(f) All filings with the Commission required by Rule 424 under the Securities Act to have been filed by the Company by each Time of Sale or related Settlement Date shall have been made within the applicable time period prescribed for such filing by Rule 424 (without reliance on Rule 424(b)(8)).

(g) The Primary Shares and any Confirmation Shares shall have been approved for listing on the Exchange, subject only to a notice of issuance at or prior to the applicable Settlement Date.

(h) The Common Stock shall be an "actively-traded security" excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by subsection (c)(1) of such rule.

6. *Covenants of the Company*. The Company covenants with the Manager, the Forward Seller and the Forward Purchaser as follows:

(a) To the extent not previously delivered or filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system, to furnish to the Manager, the Forward Seller and the Forward Purchaser copies of the Registration Statement (excluding exhibits) and copies of the Prospectus (or the Prospectus as amended or supplemented) in such quantities as the Manager, the Forward Seller or the Forward Purchaser, as the case may be, may from time to time reasonably request, and, in case the Manager or the Forward Seller is required to deliver, under the Securities Act (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), a prospectus relating to the Shares after the nine-month period referred to in Section 10(a)(3) of the Securities Act, or after the time a post-effective amendment to the Registration Statement is required pursuant to Item 512(a) of Regulation S-K under the Securities Act, upon the request of the Manager, the Forward Seller or the Forward Purchaser, as the case may be, and at its own expense, the Company shall prepare and deliver to the Manager, the Forward Seller and the Forward Purchaser as many copies as the Manager, the Forward Seller or the Forward Purchaser may request of an amended Registration Statement or amended or supplemented prospectus complying with Item 512(a) of Regulation S-K or Section 10(a)(3) of the Securities Act, as the case may be.

(b) Before amending or supplementing the Registration Statement or the Prospectus, to furnish to the Manager a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Manager, the Forward Seller and the Forward Purchaser reasonably object (other than (i) any prospectus supplement relating to the offering of Shelf Securities other than the Common Stock or (ii) by means of an Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or Registration Statement on Form 8-A or any amendments to any of the foregoing filed with the Commission under the Exchange Act and incorporated or deemed incorporated by reference into the Registration Statement or the Prospectus). To furnish to the Manager, the Forward Seller and the Forward Purchaser a copy of each proposed free writing prospectus relating to the Shares to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which the Manager, the Forward Seller and the Forward Purchaser reasonably object. Not to take any action that would result in the Manager, the Forward Seller or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Manager, the Forward Seller or the Forward Purchaser that the Manager, the Forward Seller or the Forward Purchaser otherwise would not have been required to file thereunder.

(c) To file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus Supplement and for the duration of the Delivery Period. For the duration of the Delivery Period, to include in its quarterly reports on Form 10-Q, and in its annual reports on Form 10-K, a summary detailing, for the relevant reporting period, (i) the number of Shares sold through the Manager and the

Forward Seller under this Agreement and through the Alternative Managers under the Alternative Equity Distribution Agreements during such fiscal quarterly period, (ii) the Net Proceeds received by the Company from such sales and (iii) the aggregate compensation deemed paid by the Company with respect to sales of Shares pursuant to this Agreement and the Alternative Equity Distribution Agreements, together with any other information that the Company reasonably believes is required to comply with the Exchange Act or any rules or regulations thereunder (or alternatively, to prepare a prospectus supplement (each, an “**Interim Prospectus Supplement**”) with such summary information and, at least once a quarter and subject to Section 6(b) of this Agreement, file such Interim Prospectus Supplement pursuant to Rule 424(b) under the Securities Act (and within the time periods required by Rule 424(b) and Rules 430A, 430B or 430C under the Securities Act)).

(d) To file any Permitted Free Writing Prospectus to the extent required by Rule 433 under the Securities Act and to provide copies of the Prospectus and such Prospectus Supplement and each Permitted Free Writing Prospectus (in each case, to the extent not previously delivered or filed on the Commission’s Electronic Data Gathering, Analysis and Retrieval system or any successor system thereto) to the Manager, the Forward Seller and the Forward Purchaser via electronic mail in “.pdf” format on such filing date to the respective electronic mail accounts designated by the Manager, the Forward Seller and the Forward Purchaser and, at the Manager’s, the Forward Seller’s or the Forward Purchaser’s request, to also furnish copies of the Prospectus and such Prospectus Supplement to the Exchange and each other exchange or market on which sales of the Shares were effected, in each case, as may be required by the rules or regulations of the Exchange or such other exchange or market.

(e) During the Delivery Period to advise the Manager, the Forward Seller and the Forward Purchaser, promptly after it receives notice thereof, of the issuance of any stop order by the Commission, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any order preventing or suspending the use of any prospectus relating to the Shares or suspending any such qualification, to promptly use its best efforts to obtain its withdrawal.

(f) If, after the date hereof and during the Delivery Period, either (i) any event shall occur or condition exist as a result of which the Prospectus would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (ii) for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file any document in order to comply with the Securities Act or

the Exchange Act, to promptly advise the Manager, the Forward Seller and the Forward Purchaser by telephone (with confirmation in writing or electronic mail) and to promptly prepare and file, subject to Section 6(b) of this Agreement, with the Commission an amendment or supplement to the Registration Statement or the Prospectus which will correct such statement or omission or effect such compliance and, to the extent not previously delivered or filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system, to furnish to the Manager, the Forward Seller and the Forward Purchaser as many copies as the Manager, the Forward Seller and the Forward Purchaser may reasonably request of such amendment or supplement.

(g) To use commercially reasonable efforts, to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Manager shall reasonably request and to continue such qualifications in effect so long as necessary under such laws for the distribution of the Shares.

(h) To make generally available to the Company's security holders and to the Manager and the Forward Seller as soon as practicable an earnings statement covering a period of at least 12 months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any Prospectus Supplement, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including the filing fees payable to the Commission relating to the Shares (within the time required by Rule 456(b)(1), if applicable), all printing costs associated therewith, and the mailing and delivering of copies thereof to the Manager, the Forward Seller and the Forward Purchaser, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) of this Agreement, including filing fees and the reasonable fees and disbursements of counsel for the Manager, the Forward Seller and the Forward Purchaser in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Manager, the Forward Seller and the Forward

Purchaser incurred in connection with the initial documentation of the offering contemplated by this Agreement, including any review and qualification by the Financial Industry Regulatory Authority, Inc. (up to, together with the expenses and fees pursuant to Section 6(i) of the Alternative Equity Distribution Agreements, \$200,000 in the aggregate, subject to the terms of Section 3(b) of this Agreement), (v) all costs and expenses incident to listing the Shares on the Exchange, (vi) the costs and charges of any transfer agent, registrar or depository, and (vii) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section 6, Section 3(b) and Section 8 of this Agreement, the Manager, the Forward Seller and the Forward Purchaser will pay all of its costs and expenses, including any advertising expenses connected with any offers the Manager, the Forward Seller and the Forward Purchaser may make.

(j) If the third anniversary of the initial effective date of the Registration Statement occurs before all the Shares have been sold, prior to such third anniversary, to file, subject to Section 6(b) of this Agreement, a new shelf registration statement and to take any other action necessary to permit the public offering of the Shares to continue without interruption (references herein to the Registration Statement shall include the new registration statement declared effective by the Commission).

(k) (i) To use its commercially reasonable efforts to cause the Primary Shares and any Confirmation Shares to be listed for trading on the Exchange; (ii) to reserve and keep available at all times, free of pre-emptive rights, Shares and any Confirmation Shares for the purpose of enabling the Company to satisfy its obligations under this Agreement and any Confirmation; and (iii) to engage and maintain, at its expense, a registrar and transfer agent for the Shares and any Confirmation Shares.

(l) Upon commencement of the offering of the Shares under this Agreement (and upon the recommencement of the offering of the Shares under this Agreement following the termination of a suspension of sales hereunder), and each time that (i) the Registration Statement or the Prospectus is amended or supplemented (other than a prospectus supplement relating solely to the offering of Shelf Securities other than the Shares), (ii) there is filed with the Commission any document incorporated by reference into the Prospectus (other than a Current Report on Form 8-K) or (iii) the Manager, the Forward Seller or the Forward Purchaser reasonably requests (such commencement date (and any such recommencement date, if applicable) and each such date referred to in (i), (ii) and (iii) above, a “**Representation Date**”), to furnish or cause to be furnished to the Manager, the Forward Seller and the Forward Purchaser forthwith a certificate dated and delivered as of such date, in form reasonably satisfactory to the Manager, the Forward Seller and the Forward Purchaser, to the effect that the statements contained in the certificate referred to in Section 5(b) of this Agreement are true and correct at the time of such commencement, recommencement, amendment, supplement or filing, as the case may be, as though made at and as of such time modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate.

(m) On each Representation Date, the Company shall cause to be furnished to the Manager and, if such Representation Date relates to the execution of a Confirmation, the Forward Seller and the Forward Purchaser, dated as of such date, in form and substance satisfactory to the Manager, the Forward Seller and the Forward Purchaser, as applicable, a written opinion of the internal and outside counsel for the Company, each as described in Section 5(c) of this Agreement, modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinion.

(n) On each Representation Date, Hunton Andrews Kurth LLP, counsel to the Manager, the Forward Seller and the Forward Purchaser, shall furnish to the Manager, the Forward Seller and the Forward Purchaser a written opinion, dated as of such date in form and substance reasonably satisfactory to the Manager, the Forward Seller and the Forward Purchaser.

With respect to Sections 6(m) and 6(n) of this Agreement, in lieu of delivering such an opinion for dates subsequent to the commencement of the offering of the Shares under this Agreement such counsel may furnish the Manager, the Forward Seller and the Forward Purchaser with a letter (a “**Reliance Letter**”) to the effect that the Manager, the Forward Seller and the Forward Purchaser may rely on a prior opinion delivered under Section 6(m) or Section 6(n) of this Agreement, as the case may be, to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented as of such subsequent date).

(o) Upon commencement of the offering of the Shares under this Agreement (and upon the recommencement of the offering of the Shares under this Agreement following the termination of a suspension of sales hereunder), and each time that (i) the Registration Statement or the Prospectus is amended or supplemented to include additional financial information, (ii) the Company files an annual report on Form 10-K or quarterly report on Form 10-Q, (iii) there is furnished with the Commission by the Company any document which contains financial information, including any earnings release, or there is filed with the Commission any document (other than an annual report on Form 10-K or quarterly report on Form 10-Q) incorporated by reference into the Prospectus which contains additional or amended financial information or (iv) on such other dates as may be reasonably requested by the Manager, the Forward Seller and the Forward Purchaser, Deloitte & Touche LLP, independent public accountants of the Company, shall deliver to the Manager, the Forward Seller and the Forward Purchaser the comfort letter(s) described in Section 5(e) of this Agreement.

(p) To promptly reply to due diligence inquiries from the Manager, the Forward Seller or the Forward Purchaser and their respective representatives, including, without limitation, furnishing requested materials and making senior management and representatives of the Company's registered independent accounting firm available for due diligence conference calls, upon the reasonable request of the Manager, the Forward Seller or the Forward Purchaser.

(q) That it consents to the Manager or the Forward Seller trading in the Common Stock for the Manager's or the Forward Seller's own account and for the account of their respective clients at the same time as sales of the Shares occur pursuant to this Agreement.

(r) That each acceptance by the Company of an offer to purchase the Shares hereunder shall be deemed to be an affirmation to the Manager or the Forward Seller and the Forward Purchaser, as applicable, that the representations and warranties of the Company contained in or made pursuant to this Agreement are true and correct as of the date of such acceptance as though made at and as of such date, and an undertaking that such representations and warranties will be true and correct as of the Time of Sale and the Settlement Date for the Shares relating to such acceptance as though made at and as of each of such dates (except that (i) such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares and (ii) to the extent that such representations and warranties speak as of another date, such representations and warranties shall be true and correct as of such other date).

(s) Prior to instructing the Manager or the Forward Seller pursuant to Section 2 of this Agreement to make sales on any given day (or as otherwise agreed between the Company and the Manager or the Forward Seller), an authorized officer of the Company shall have approved the minimum price and maximum number of Shares to be sold on such day which minimum price shall not be less than the minimum consideration determined pursuant to the formula approved by the Board of Directors.

(t) Not to, or publicly disclose an intention to, sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to sell or otherwise dispose of or agree to dispose of, directly or indirectly, any shares of the Common Stock or securities convertible into or exchangeable or exercisable for the Common Stock or warrants or other rights to purchase the Common Stock or any other securities of the Company that are substantially similar to the Common Stock or permit the registration under the Securities Act of any shares of the Common Stock, except for (i) the registration of the Shares and the sales through the Manager or the Forward Seller pursuant to this Agreement or through the Alternative Managers pursuant to the Alternative Equity Distribution Agreements, (ii) any Confirmation Shares, (iii) any shares of Common Stock issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the Prospectus, (iv) any shares of

Common Stock or stock units issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company, including shares of Common Stock issued upon exercise of such options or (v) any shares of Common Stock or stock units issued pursuant to any non-employee director stock plan, dividend reinvestment plan or stock purchase plan of the Company, during the Delivery Period, without (A) giving the Manager or the Forward Seller at least three business days' prior written notice specifying the nature of the proposed sale and the date of such proposed sale and (B) the Manager or the Forward Seller suspending activity under this program for such period of time as requested by the Company.

7. *Covenants of the Manager and the Forward Seller.* The Manager and the Forward Seller covenant with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of the Manager or the Forward Seller that otherwise would not be required to be filed by the Company thereunder, but for the action of the Manager or the Forward Seller.

8. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless the Manager, the Forward Seller and the Forward Purchaser, their respective directors, officers, employees, agents and affiliates, and each person, if any, who controls the Manager, the Forward Seller or the Forward Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Prospectus, the Prospectus Supplement (including any Interim Prospectus Supplement), the General Disclosure Package, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon the Manager Information.

(b) Each of the Manager, the Forward Seller and the Forward Purchaser agrees to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to the Manager, but only with reference to information relating to the Manager, the Forward Seller or the Forward Purchaser furnished to the Company in writing by the Manager, the Forward Seller or the Forward Purchaser expressly for use in the Registration Statement, the Prospectus, the Prospectus Supplement (including any Interim Prospectus Supplement), the General Disclosure Package, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b) of this Agreement, such person (the “**indemnified party**”) shall promptly notify the person against whom such indemnity may be sought (the “**indemnifying party**”) in writing (but failure to so notify an indemnifying party as provided in this Section 8(c) shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced (through the forfeiture of substantive rights and defenses) as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement), and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (iii) the named parties to any proceeding include the indemnified party and another party, and the indemnified party has legal defenses that the other party does not. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Manager, the Forward Seller or the Forward Purchaser, in the case of parties indemnified pursuant to Section 8(a) of this Agreement, and by the Company, in the case of parties indemnified pursuant to Section 8(b) of this Agreement. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior

to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) of this Agreement is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the each of Company, the Manager, the Forward Seller and the Forward Purchaser from the offering of the Shares or (ii) if the allocation provided by Section 8(d)(i) of this Agreement is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 8(d)(i) of this Agreement but also the relative fault of each of the Company, the Manager, the Forward Seller and the Forward Purchaser in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by each of the Company, the Manager, the Forward Seller and the Forward Purchaser in connection with the offering of the Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as (i) in the case of the Company, (x) the net proceeds from the offering of the Primary Shares (before deducting expenses, if applicable, and, for the avoidance of doubt, without including proceeds from the offering of Primary Shares pursuant to the Alternative Equity Distribution Agreements) received by the Company, or (y) with respect to a Forward Sale, the proceeds that would be received by the Company upon physical settlement of each applicable Confirmation assuming that the aggregate amount payable by the Forward Purchaser under such Confirmation is equal to the aggregate amount of the net proceeds realized upon the sale of the Forward Hedge Shares with respect to such Forward Sale, (ii) in the case of the Manager, the total commissions received by the Manager in respect of the Primary Shares, (iii) in the case of the Forward Seller, the total commissions received by the Forward Seller in respect of the Forward Hedge Shares, and (iv) in the case of the Forward Purchaser, the Spread (as defined in the applicable Confirmation and net of any related stock borrow costs or other costs or expenses actually incurred) retained by the Forward Purchaser under such Confirmation. The relative fault of each of the Company, the Manager, the Forward Seller and the Forward Purchaser shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by each such party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Each of the Company, the Manager, the Forward Seller and the Forward Purchaser agrees that it would not be just or equitable if contribution pursuant to this Section 8 were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d) of this Agreement. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, the Manager, the Forward Seller and the Forward Purchaser shall not be required to contribute any amount in excess of (i) the total compensation received by the Manager in connection with the sale of Shares on behalf of the Company, (ii) the total compensation received by the Forward Seller in connection with the sale of Shares on behalf of the Forward Purchaser and (iii) the Spread (as defined in the applicable Confirmation and net of any related stock borrow costs or other costs or expenses actually incurred) retained by the Forward Purchaser pursuant to the relevant Confirmation(s). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Manager, the Forward Seller, the Forward Purchaser, any person controlling the Manager, the Forward Seller or the Forward Purchaser or any affiliate of the Manager, the Forward Seller or the Forward Purchaser or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Effectiveness.* This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

10. *Termination.* (a) The Company shall have the right, by giving written notice as hereinafter specified, to terminate this Agreement in its sole discretion at any time. Any such termination shall be without liability of any party to any other party, except that (i) with respect to any pending Direct Sale or Forward Sale through the Manager or the Forward Seller, respectively, the obligations of the Company, including, but not limited to, its obligations under Section 4 of this Agreement, shall remain in full force and effect notwithstanding such termination; and (ii) the provisions of Section 1, Section 3(b) and Section 8 of this Agreement shall remain in full force and effect notwithstanding such termination.

(b) The Manager, the Forward Seller and the Forward Purchaser shall have the right, by giving written notice as hereinafter specified, to terminate this Agreement in its sole discretion at any time. Any such termination shall be without liability of any party to any other party except that (i) with respect to any pending Direct Sale or Forward Sale through the Manager or the Forward Seller, respectively, the obligations of the Company, including, but not limited to, its obligations under Section 4 of this Agreement, shall remain in full force and effect notwithstanding such termination; and (ii) the provisions of Section 1, Section 3(b) and Section 8 of this Agreement shall remain in full force and effect notwithstanding such termination.

(c) Unless earlier terminated pursuant to this Section 10, this Agreement shall automatically terminate on the earlier of (i) the date that the aggregate offering price of the Shares sold pursuant to this Agreement equals the Maximum Program Amount, or (ii) December 31, 2025; provided, however, that this Agreement will continue in effect for the duration of, and solely with respect to, any Confirmation entered into, but not yet settled, before December 31, 2025.

(d) This Agreement shall remain in full force and effect until and unless terminated pursuant to Section 10(a) Section 10(b) or Section 10(c) of this Agreement or otherwise by mutual agreement of the parties; *provided* that any such termination by mutual agreement or pursuant to this clause (d) shall in all cases be deemed to provide that Section 1, Section 3(b) and Section 8 of this Agreement shall remain in full force and effect.

(e) Subject to Section 10(c), any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided* that such termination shall not be effective until the close of business on the date of receipt of such notice by the Manager, the Forward Seller and the Forward Purchaser or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of Shares, such sale shall settle in accordance with the provisions of Section 4 of this Agreement.

11. *Entire Agreement.* (a) This Agreement represents the entire agreement among the Company, the Manager, the Forward Seller and the Forward Purchaser with respect to the preparation of any Registration Statement, Prospectus Supplement or the Prospectus, the conduct of the offering and the sale and distribution of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Manager, the Forward Seller and the Forward Purchaser have acted and will act at arm's length and neither is an agent of, or owes any fiduciary duties to, the Company or any other person, (ii) the Manager, the Forward Seller and the Forward Purchaser owe the Company only those duties and obligations set forth in this Agreement, any Confirmations and prior written

agreements (to the extent not superseded by this Agreement), if any, (iii) none of the activities of the Manager, the Forward Seller or the Forward Purchaser in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Manager, the Forward Seller or the Forward Purchaser with respect to any entity or natural person, and (iv) the Manager, the Forward Seller and the Forward Purchaser may each have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Manager, the Forward Seller or the Forward Purchaser arising from an alleged breach of fiduciary duty in connection with the sale and distribution of the Shares.

12. *Counterparts.* This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Counterparts may be delivered via facsimile, email, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

13. *Applicable Law.* This Agreement and any claims, controversy or dispute relating to or arising out of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. *Headings.* The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

15. *Notices.* All communications hereunder shall be in writing and effective only upon receipt and if to the Manager or the Forward Seller shall be delivered, mailed or sent to [•]; if to the Forward Purchaser shall be delivered, mailed or sent to [•]; and if to the Company shall be delivered, mailed or sent to 801 East 86th Avenue, Merrillville, Indiana 46410, Attention: Tchapo Napoe, with a copy to the outside counsel for the Company, McGuireWoods LLP, Gateway Plaza, 800 East Canal St, Richmond, Virginia 23219, Attention: Barlow Mann.

16. *No Assignment; Parties.* This Agreement and the rights, duties and obligations hereunder may not be assigned or delegated by the Company, the Manager, Forward Seller or the Forward Purchaser; *provided, however,* that if the Forward Purchaser assigns, transfers or sets over its rights, title and interest, powers, privileges and remedies pursuant to Section 20 of the Master Forward Confirmation, the Forward Purchaser may assign its rights and obligations under this Agreement to such successor Forward Purchaser. The Company shall have no obligation to release the Forward Purchaser from its obligations to the Company upon any such assignment or transfer, nor shall any such assignment or transfer relieve or otherwise discharge the Forward Purchaser from its obligations to the Company. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and their respective successors and, to the extent provided in Section 8, the controlling persons, officers, directors, employees and agents and affiliates referred to in Section 8. This Agreement is not intended to confer any rights or benefits on any persons other than as set forth in Section 8 or elsewhere in this Agreement.

17. *Recognition of the U.S. Special Resolution Regimes.* (a) In the event that the Manager, the Forward Seller or the Forward Purchaser that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Manager, Forward Seller or Forward Purchaser of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that the Manager, the Forward Seller or the Forward Purchaser that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Manager, Forward Seller or Forward Purchaser becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Manager, Forward Seller or Forward Purchaser are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 17:

“**BHC Act Affiliate**” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“**Covered Entity**” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**U.S. Special Resolution Regime**” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd- Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[Signature page follows]

Very truly yours,

NISOURCE INC.

By: _____
Name:
Title:

Accepted as of the date first written above

[•],
as Manager

By: _____
Name:
Title:

[•],
as Forward Seller

By: _____
Name:
Title:

[•],
as Forward Purchaser

By: _____
Name:
Title:

SCHEDULE I

Permitted Free Writing Prospectuses

I-1

Exhibit A

[[•] Letterhead]

_____, 20[•]

[]

[]

Attention: _____

VIA ELECTRONIC MAIL

TRANSACTION CONFIRMATION

Dear _____:

This Transaction Confirmation sets forth the terms of the agreement of [•] ([in its capacity as agent for the Company in connection with any Direct Sale of Primary Shares thereunder, the “**Manager**,”] [and] [in its capacity as agent for the Forward Purchaser in connection with any Forward Sale of Forward Hedge Shares thereunder, the “**Forward Seller**”]; [and [•] (as purchaser under any Forward Sale, the “**Forward Purchaser**”)] with NiSource Inc. (the “**Company**”) relating to the sale of shares of the Company’s common stock, par value \$0.01 per share, having an aggregate gross sales price of up to \$900,000,000 pursuant to the Equity Distribution Agreement among the Company, the Forward Purchaser and the Manager, dated February 22, 2024 (the “**Agreement**”). Unless otherwise defined below, capitalized terms defined in the Agreement shall have the same meanings when used herein.

This Transaction Confirmation relates to [a Direct Sale] [a Forward Sale].

By countersigning or otherwise indicating in writing the Company’s acceptance of this Transaction Confirmation (an “**Acceptance**”), the Company shall have agreed with the Manager or the Forward Seller, as applicable, to engage in the following transaction:

[Number of Shares to be sold][Aggregate Gross Price of Shares to be sold]:	_____
Minimum price at which Shares may be sold:	_____
Date(s) on which Shares may be sold:	_____
Compensation to Manager or Forward Seller, as applicable (if different than the Agreement):	_____

[To Add Other Applicable Terms for Forward Sale]	_____

The transaction set forth in this Transaction Confirmation will not be binding on the Company or the Manager or the Forward Seller, as applicable, unless and until (i) in the case of a Direct Sale, the Company delivers its Acceptance or (ii) in the case of a Forward Sale, the Company delivers its Acceptance and a duly executed Supplemental Confirmation; *provided, however*, that, in either case, neither the Company nor the Manager or the Forward Seller, as applicable, will be bound by the terms of this Transaction Confirmation unless the Company delivers its Acceptance by [•] a.m./p.m. (New York time) on [the date hereof _____, 20[•]].

The transaction, if it becomes binding on the parties, shall be subject to all of the representations, warranties, covenants and other terms and conditions of the Agreement, except to the extent amended or modified hereby, all of which are expressly incorporated herein by reference. Each of the representations and warranties set forth in the Agreement shall be deemed to have been made at and as of every Time of Sale, every Settlement Date and every Representation Date.

If the foregoing conforms to your understanding of our agreement, please so indicate your Acceptance by signing below.

Very truly yours,

[•],
As Manager

By: _____
Name:
Title:

[•],
As Forward Purchaser

By: _____
Name:
Title:

[•],
As Forward Seller

By: _____
Name:
Title:

ACCEPTED as of the date first above written

NISOURCE INC.

By: _____
Name:
Title:

[Note: The Company's Acceptance may also be evidenced by a separate written acceptance referencing this Transaction Confirmation and delivered in accordance with the Agreement]

Exhibit 1.2

To: NiSource Inc.
A/C: []
From: [Dealer]
Re: Issuer Share Forward Sale Transactions
Ref. No: []
Date: February 22, 2024

Ladies and Gentlemen:

The purpose of this communication (this “**Master Confirmation**”) is to set forth the terms and conditions of the transactions to be entered into from time to time between [] (“**Dealer**”), through its agent [] (the “**Agent**”), and NiSource Inc. (“**Counterparty**”) in accordance with the terms of the Equity Distribution Agreement, dated as of February 22, 2024 (the “**Equity Distribution Agreement**”), among [the Agent] [], as manager, Dealer, and Counterparty on the Trade Dates specified herein (collectively, the “**Transactions**,” and each, a “**Transaction**”). This communication constitutes a “**Confirmation**” as referred to in the Agreement specified below. Each Transaction will be evidenced by a supplemental confirmation (each, a “**Supplemental Confirmation**”) substantially in the form of Exhibit A hereto and a pricing report furnished by Dealer pursuant thereto (each, a “**Pricing Report**”) substantially in the form of Exhibit B hereto. Each such Supplemental Confirmation and Pricing Report, together with this Master Confirmation, will be a “**Confirmation**” for purposes of the Agreement specified below. Each Confirmation will be a confirmation for purposes of Rule 10b-10 promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

1. Each Confirmation is subject to, and incorporates, the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”). For purposes of the Equity Definitions, each Transaction will be deemed to be a Share Forward Transaction.

Each Confirmation shall supplement, form a part of and be subject to an agreement (the “**Agreement**”) in the form of the 2002 ISDA Master Agreement (the “**ISDA Form**”), as published by ISDA, as if Dealer and Counterparty had executed the ISDA Form on the date hereof (but without any Schedule except for (i) the election of New York law (without regard to New York’s choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law (the “**General Obligations Law**”) as the governing law and US Dollars (“**USD**”) as the Termination Currency and (ii) the election that the “**Cross Default**” provisions of Section 5(a)(vi) of the Agreement shall apply to Dealer and Counterparty with a “**Threshold Amount**” in respect of Dealer of 3% of the stockholders’ equity of [Dealer/Dealer’s Parent] and a “**Threshold Amount**” in respect of Counterparty of USD 50 million; *provided that* (x) the

words “, or becoming capable at such time of being declared,” shall be deleted from clause (1) thereof and (y) “Specified Indebtedness” has the meaning specified in Section 14 of the Agreement, except that such term shall not include obligations in respect of deposits received in the ordinary course of Dealer’s banking business and (z) the following language shall be added to the end of such Section 5(a)(vi): “Notwithstanding the foregoing, a default under subsection (2) hereof shall not constitute an Event of Default if (X) the default was caused solely by error or omission of an administrative or operational nature; (Y) funds were available to enable the party to make the payment when due; and (Z) the payment is made within two Local Business Days of such party’s receipt of written notice of its failure to pay;”).

All provisions contained in the Agreement are incorporated into and shall govern each Confirmation except as expressly modified below. Each Confirmation evidences a complete and binding agreement between Dealer and Counterparty as to the terms of the relevant Transaction and replaces any previous agreement between the parties with respect to the subject matter hereof.

The Transactions hereunder shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Dealer or any of its Affiliates and Counterparty or any confirmation or other agreement between Dealer or any of its Affiliates and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Dealer or any of its Affiliates and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Dealer or such other Affiliates and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement. In the event of any inconsistency among the Agreement, this Master Confirmation, any Supplemental Confirmation, any applicable Pricing Report and the Equity Definitions, the following will prevail in the order of precedence indicated: (i) such Pricing Report, (ii) such Supplemental Confirmation; (iii) this Master Confirmation; (iv) the Equity Definitions; and (iv) the Agreement.

2. The terms of the particular Transactions to which this Master Confirmation relates are as follows:

General Terms:

Trade Date:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be, subject to the provisions opposite the caption “Early Valuation” below, the last Trading Day of the Forward Hedge Selling Period for such Transaction.
Effective Date:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be the date that is one Settlement Cycle following the Trade Date for such Transaction, or such later date on which the conditions set forth in Section 3 of this Master Confirmation shall have been satisfied.

Buyer:	Dealer
Seller:	Counterparty
Trading Day:	Any Scheduled Trading Day for the Exchange other than a day on which the Exchange is scheduled to close prior to its Scheduled Closing Time.
Forward Hedge Selling Period:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be a period of consecutive Trading Days following the date of such Supplemental Confirmation; <i>provided</i> that, if prior to the scheduled end of any Forward Hedge Selling Period (x) any event occurs that would permit the Dealer to designate a Scheduled Trading Day as an Early Valuation Date or (y) a Bankruptcy Termination Event occurs, then the Forward Hedge Selling Period shall immediately terminate at the first such occurrence.
Maturity Date:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).
Shares:	The shares of common stock, par value USD 0.01 per Share, of Counterparty (Ticker: "NI")
Number of Shares:	For each Transaction, initially, as specified in the Supplemental Confirmation for such Transaction, to be the number of Shares equal to the Actual Sold Forward Amount for the Forward Hedge Selling Period for such Transaction, as reduced on each Relevant Settlement Date (as defined under "Settlement Terms" below) by the number of Settlement Shares to which the related Valuation Date relates.
Actual Sold Forward Amount:	For each Transaction and the related Forward Hedge Selling Period, the number of Forward Hedge Shares that the Dealer (or its agent or affiliate) sold pursuant to the Equity Distribution Agreement during such Forward Hedge Selling Period.

Forward Hedge Share:	For each Transaction, any Share borrowed by the Dealer (or its agent or affiliate) and sold pursuant to the Equity Distribution Agreement by the Dealer (or its agent or affiliate) in connection with such Transaction.
Settlement Currency:	USD
Exchange:	The New York Stock Exchange
Related Exchange:	All Exchanges
Prepayment:	Not Applicable
Variable Obligation:	Not Applicable
Forward Price:	<p>For each Transaction, on the Effective Date for such Transaction, the Initial Forward Price for such Transaction, and on any calendar day thereafter, the product of the Forward Price for such Transaction on the immediately preceding calendar day and $1 + \text{the Daily Rate} * (1/365)$; <i>provided</i> that the Forward Price for such Transaction on each Forward Price Reduction Date for such Transaction shall be the Forward Price for such Transaction otherwise in effect on such date <i>minus</i> the Forward Price Reduction Amount for such Forward Price Reduction Date.</p> <p>Notwithstanding the foregoing, to the extent Counterparty delivers Shares hereunder on or after a Forward Price Reduction Date and at or before the record date for an ordinary cash dividend with an ex-dividend date corresponding to such Forward Price Reduction Date (and, for the avoidance of doubt, the related dividend will be paid on such Shares), the Calculation Agent shall adjust the Forward Price to the extent it determines that such an adjustment is appropriate and necessary to preserve the economic intent of the parties by offsetting the economic effect of Dealer having received the benefit of both (i) the Forward Price Reduction Amount and (ii) the ordinary cash dividend with an ex-dividend date corresponding to such Forward Price Reduction Amount (taking into account Dealer's commercially reasonable hedge positions in respect of the Transaction).</p>

Initial Forward Price:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be the product of (i) an amount equal to 1 <i>minus</i> the Forward Hedge Selling Commission Rate applicable to such Transaction; and (ii) the Volume-Weighted Hedge Price, subject to adjustment as set forth herein.
Forward Hedge Selling Commission Rate:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be a rate mutually agreed between the Dealer and the Counterparty but not in excess of 2%.
Volume-Weighted Hedge Price:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be the volume-weighted average of the Sales Prices per Share of the Forward Hedge Shares sold on each Trading Day of the Forward Hedge Selling Period for such Transaction, as determined by the Calculation Agent; <i>provided</i> that, solely for the purposes of calculating the Initial Forward Price, each such Sales Price (other than the Sales Price for the last day of the relevant Forward Hedge Selling Period) shall be subject to adjustment by the Calculation Agent in the same manner as the Forward Price pursuant to the definition thereof during the period from, and including, the date one Settlement Cycle immediately following the first Trading Day of the relevant Forward Hedge Selling Period on which the Forward Hedge Shares related to such Sales Price are sold to, and including, the Effective Date of such Transaction.
Sales Price:	For each Transaction and any related Forward Hedge Share, the actual sale execution price of such Forward Hedge Share sold by Dealer on the Exchange under the Equity Distribution Agreement.
Daily Rate:	For any day, the Overnight Bank Funding Rate (or if the Overnight Bank Funding Rate is no longer available, a successor rate selected by the Calculation Agent in its commercially reasonable discretion) <i>minus</i> the Spread.
Spread:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction.
Overnight Bank Funding Rate:	For any day, the rate set forth for such day opposite the caption "Overnight bank funding rate" as displayed on the page "OBFR01 <Index> <GO>" on the BLOOMBERG Professional Service, or any successor page; <i>provided</i> that if no such rate appears for such day on such page, the Overnight Bank Funding Rate for such day shall be such rate for the immediately preceding day for which such a rate appears.

Forward Price Reduction Dates:	For each Transaction, as specified in Schedule I to the Supplemental Confirmation for such Transaction, to be each date set forth under the heading “Forward Price Reduction Date” in the Supplemental Confirmation for such Transaction.
Forward Price Reduction Amount:	For each Forward Price Reduction Date, the Forward Price Reduction Amount set forth opposite such date on Schedule I to the Supplemental Confirmation for such Transaction.
<u>Valuation:</u>	
Valuation Date:	For any Settlement (as defined below) with respect to any Transaction, if Physical Settlement is applicable, as designated in the relevant Settlement Notice (as defined below); or if Cash Settlement or Net Share Settlement is applicable, the last Unwind Date for such Settlement. Section 6.6 of the Equity Definitions shall not apply to any Valuation Date.
Unwind Dates:	For any Cash Settlement or Net Share Settlement with respect to any Settlement of any Transaction, each day on which Dealer (or its agent or affiliate) purchases Shares in the market in connection with unwinding its commercially reasonable hedge position in connection with such Settlement, starting on the First Unwind Date for such Settlement.
First Unwind Date:	For any Cash Settlement or Net Share Settlement with respect to any Settlement of any Transaction, as designated in the relevant Settlement Notice.
Unwind Period:	For any Cash Settlement or Net Share Settlement with respect to any Settlement of any Transaction, the period starting on the First Unwind Date for such Settlement and ending on the Valuation Date for such Settlement.
Cash Settlement Valuation Disruption:	If Cash Settlement is applicable with respect to any Transaction and any Unwind Date during the related Unwind Period is a Disrupted Day, the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the 10b-18 VWAP for such Disrupted Day shall not be included in the calculation of the Settlement Price, or (ii) such Disrupted

Day is a Disrupted Day only in part, in which case the 10b-18 VWAP for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions (as defined below) in the Shares on such Disrupted Day, taking into account the nature and duration of the relevant Market Disruption Event, and the weightings of the 10b-18 VWAP and the Forward Prices, as applicable for each Unwind Date during such Unwind Period shall be adjusted in a commercially reasonable manner by the Calculation Agent for purposes of determining the Settlement Price and the Relevant Forward Price, as applicable, to account for the occurrence of such partially Disrupted Day, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares.

Market Disruption Event:

The definition of “Market Disruption Event” in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words “at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be” and inserting the words “at any time on any Exchange Business Day during the Unwind Period” after the word “material,” in the third line thereof.

Early Closure:

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term “Scheduled Closing Time” in the fourth line thereof.

Settlement Terms:

Settlement:

With respect to any Transaction, any Physical Settlement, Cash Settlement or Net Share Settlement of all or any portion of such Transaction.

Settlement Notice:

For any Transaction, subject to “Early Valuation” below, Counterparty may elect to effect a Settlement of all or any portion of such Transaction by designating one or more Scheduled Trading Days following the Effective Date for such Transaction and on or prior to the Maturity Date for such Transaction to be Valuation Dates (or, with respect to Cash Settlements or Net Share Settlements of such Transaction, First Unwind Dates, each of which First Unwind Dates shall occur no later than the 60th Scheduled

Trading Day immediately preceding the Maturity Date for such Transaction) in a written notice to Dealer (a “**Settlement Notice**”) delivered no later than the applicable Settlement Method Election Date for such Transaction, which notice shall also specify (i) the number of Shares (the “**Settlement Shares**”) for such Settlement (not to exceed the number of Undesignated Shares for such Transaction as of the date of such Settlement Notice) and (ii) the Settlement Method applicable to such Settlement; *provided that* (A) Counterparty may not designate a First Unwind Date for a Cash Settlement or a Net Share Settlement of any Transaction if, as of the date of such Settlement Notice, any Shares have been designated as Settlement Shares for a Cash Settlement or a Net Share Settlement of such Transaction for which the related Relevant Settlement Date has not occurred; and (B) if the number of Undesignated Shares as of the Maturity Date for such Transaction is not zero, then the Maturity Date for such Transaction shall be a Valuation Date for a Physical Settlement of such Transaction and the number of Settlement Shares for such Settlement shall be the number of Undesignated Shares for such Transaction as of the Maturity Date for such Transaction (*provided that* if such Maturity Date occurs during the period from the time any Settlement Notice is given for a Cash Settlement or Net Share Settlement of such Transaction until the related Relevant Settlement Date, inclusive, then the provisions set forth below opposite “Early Valuation” shall apply to such Transaction as if the Maturity Date for such Transaction were the Early Valuation Date for such Transaction).

Undesignated Shares:

For any Transaction, as of any date, the Number of Shares for such Transaction *minus* the number of Shares designated as Settlement Shares for Settlements of such Transaction for which the related Relevant Settlement Date has not occurred.

Settlement Method Election:

For any Transaction, applicable; *provided that*:

- (i) Net Share Settlement shall be deemed to be included as an additional settlement method under Section 7.1 of the Equity Definitions;

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- (ii) Counterparty may elect Cash Settlement or Net Share Settlement for any Settlement of any Transaction only if Counterparty represents and warrants to Dealer in the Settlement Notice containing such election that, as of the date of such Settlement Notice, (A) Counterparty is not aware of any material nonpublic information concerning itself or the Shares, (B) Counterparty is electing the settlement method and designating the First Unwind Date specified in such Settlement Notice in good faith and not as part of a plan or scheme to evade compliance with Rule 10b-5 (“**Rule 10b-5**”) under the Exchange Act, or any other provision of the federal securities laws, (C) Counterparty is not “insolvent” (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the “**Bankruptcy Code**”)), (D) Counterparty would be able to purchase a number of Shares equal to the greater of (x) the number of Settlement Shares designated in such Settlement Notice and (y) a number of Shares with a value as of the date of such Settlement Notice equal to the product of (I) such number of Settlement Shares and (II) the applicable Forward Price on the date of such Settlement Notice in compliance with the laws of Counterparty’s jurisdiction of organization and (E) such election, and settlement in accordance therewith, does not and will not violate or conflict with any law or regulation applicable to Counterparty, or any order or judgment of any court or other agency of government applicable to it or any of its assets, and any governmental consents that are required to have been obtained by Counterparty with respect to such election or settlement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

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- (iii) Notwithstanding any election to the contrary in any Settlement Notice, Physical Settlement shall be applicable for any Settlement of any Transaction:
- (A) to all of the Settlement Shares designated in such Settlement Notice if, at any time from the date such Settlement Notice is received by Dealer until the related First Unwind Date, inclusive, (I) the trading price per Share on the Exchange (as determined by Dealer in a commercially reasonable manner) is below the Threshold Price or (II) Dealer determines, in its good faith and commercially reasonable judgment, that it would, after using commercially reasonable efforts, be unable to purchase a number of Shares in the market sufficient to unwind a commercially reasonable hedge position in respect of the portion of the Transaction represented by such Settlement Shares and satisfy its delivery obligation hereunder, if any, by the Maturity Date (x) in a manner that (A) would, if Dealer were Counterparty or an affiliated purchaser of Counterparty and taking into account any other Transactions hereunder or any other issuer forward or similar transactions with overlapping unwind periods, be in compliance with the safe harbor provided by Rule 10b-18(b) under the Exchange Act and (B) based on advice of counsel, would not raise material risks under applicable securities laws or (y) due to the lack of sufficient liquidity in the Shares (each, a “**Trading Condition**”); or
 - (B) to all or a portion of the Settlement Shares designated in such Settlement Notice if, on any day during the relevant Unwind Period, (I) the trading price per Share on the Exchange (as determined by Dealer in a commercially reasonable manner) is below the Threshold Price or (II) Dealer determines, in its good faith and commercially reasonable judgment or based on advice of counsel, as applicable, that a Trading Condition has occurred with respect to such Transaction, in which case the provisions set forth below in the fourth paragraph opposite “Early Valuation” shall apply as if such day were the Early Valuation Date for such Transaction and (x) for purposes of clause (i) of such paragraph, such day shall be the last

Unwind Date of such Unwind Period and the “Unwound Shares” shall be calculated to, and including, such day and (y) for purposes of clause (ii) of such paragraph, the “Remaining Shares” shall be equal to the number of Settlement Shares designated in such Settlement Notice *minus* the Unwound Shares determined in accordance with clause (x) of this sentence.

Threshold Price: For each Transaction, as specified in the Supplemental Confirmation for such Transaction, to be 50% of the Initial Forward Price for such Transaction.

Electing Party: Counterparty

Settlement Method Election Date: With respect to any Settlement of any Transaction, (x) the second Scheduled Trading Day immediately preceding the Valuation Date for such Transaction, in the case of Physical Settlement, or (y) the fifth Scheduled Trading Day immediately preceding the First Unwind Date for such Transaction, in the case of Cash Settlement or Net Share Settlement.

Default Settlement Method: Physical Settlement

Physical Settlement: Notwithstanding Section 9.2(a)(i) of the Equity Definitions, on the Settlement Date for any Physical Settlement of any Transaction, Dealer shall pay to Counterparty an amount in USD equal to the Forward Price for such Transaction on the relevant Valuation Date *multiplied by* the number of Settlement Shares for such Settlement, and Counterparty shall deliver to Dealer such Settlement Shares. If, on any Settlement Date, the Settlement Shares to be delivered by Counterparty to Dealer hereunder are not so delivered (the “**Deferred Shares**”), and a Forward Price Reduction Date occurs during the period from, and including, such Settlement Date to, but excluding, the date such Settlement Shares are actually delivered to Dealer, then the portion of the amount payable by Dealer to Counterparty in respect of the Deferred Shares shall be reduced by an amount equal to the Forward Price Reduction Amount for such Forward Price Reduction Date, multiplied by the number of Deferred Shares.

Settlement Date:	For any Settlement of any Transaction to which Physical Settlement is applicable, the Valuation Date for such Settlement.
Net Share Settlement:	On the Net Share Settlement Date for any Settlement of any Transaction to which Net Share Settlement is applicable, if the Net Share Settlement Amount for such Settlement is greater than zero, Counterparty shall deliver a number of Shares equal to such Net Share Settlement Amount (rounded down to the nearest integer) to Dealer, and if such Net Share Settlement Amount is less than zero, Dealer shall deliver a number of Shares equal to the absolute value of such Net Share Settlement Amount (rounded down to the nearest integer) to Counterparty, in either case, in accordance with Section 9.4 of the Equity Definitions, with such Net Share Settlement Date deemed to be a “Settlement Date” for purposes of such Section 9.4, and, in either case, plus cash in lieu of any fractional Shares included in such Net Share Settlement Amount but not delivered due to rounding required hereby, valued at the relevant Settlement Price.
Net Share Settlement Date:	For any Settlement of any Transaction to which Net Share Settlement is applicable, the date that follows the Valuation Date for such Settlement by one Settlement Cycle.
Net Share Settlement Amount:	For any Settlement of any Transaction to which Net Share Settlement is applicable, an amount equal to the Forward Cash Settlement Amount for such Settlement <i>divided by</i> the Settlement Price for such Settlement.
Forward Cash Settlement Amount:	Notwithstanding Section 8.5(c) of the Equity Definitions, the Forward Cash Settlement Amount for any Cash Settlement or Net Share Settlement of any Transaction shall be equal to (i) the number of Settlement Shares for such Settlement <i>multiplied by</i> (ii) an amount equal to (A) the Settlement Price for such Settlement <i>minus</i> (B) the Relevant Forward Price for such Settlement.
Relevant Forward Price:	For any Cash Settlement of any Transaction, the arithmetic average of the Forward Prices for such Transaction on each Unwind Date relating to such Settlement.

For any Net Share Settlement of any Transaction, the weighted average of the Forward Prices for such Transaction on each Unwind Date relating to such Settlement (weighted based on the number of Shares purchased by Dealer or its agent or affiliate on each such Unwind Date in connection with unwinding its commercially reasonable hedge position in connection with such Settlement, as determined by the Calculation Agent).

Settlement Price:

For any Cash Settlement of any Transaction, the arithmetic average of the 10b-18 VWAP on each Unwind Date relating to such Settlement, *plus* a commercially reasonable amount determined by the Calculation Agent that in no event will exceed USD 0.02.

For any Net Share Settlement of any Transaction, the weighted average price of the purchases of Shares made by Dealer (or its agent or affiliate) during the Unwind Period for such Settlement in connection with unwinding its commercially reasonable hedge position relating to such Settlement (weighted based on the number of Shares purchased by Dealer or its agent or affiliate on each Unwind Date in connection with unwinding its commercially reasonable hedge position in connection with such Settlement, as determined by the Calculation Agent), *plus* a commercially reasonable amount determined by the Calculation Agent that in no event will exceed USD 0.02.

10b-18 VWAP:

For any Exchange Business Day, as determined by the Calculation Agent based on the 10b-18 Volume Weighted Average Price per Share as reported in the composite transactions for United States exchanges and quotation systems for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York City time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page “NI <Equity> AQR_SEC” (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent’s reasonable determination, erroneous, such 10b-18 VWAP shall be as reasonably determined by the Calculation Agent. For purposes of calculating the 10b-18 VWAP for such Exchange Business Day, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Exchange Act (such trades, “**Rule 10b-18 eligible transactions**”).

Unwind Activities:	<p>The times and prices at which Dealer (or its agent or affiliate) purchases any Shares during any Unwind Period in connection with unwinding its commercially reasonable hedge position in respect of each Transaction shall be determined by Dealer in a commercially reasonable manner. Without limiting the generality of the foregoing, in the event that Dealer concludes, in its reasonable discretion based on advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer) (a “Regulatory Disruption”), for it to refrain from purchasing Shares in connection with unwinding its commercially reasonable hedge position in respect of such Transaction on any Scheduled Trading Day that would have been an Unwind Date but for the occurrence of a Regulatory Disruption, Dealer will notify Counterparty in writing that a Regulatory Disruption has occurred on such Scheduled Trading Day with respect to such Transaction, in which case Dealer shall, to the extent practicable in its good faith discretion, specify the nature of such Regulatory Disruption, and, for the avoidance of doubt, such Scheduled Trading Day shall not be an Unwind Date for such Transaction and such Regulatory Disruption shall be deemed to be a Market Disruption Event; <i>provided</i> that Dealer may exercise its right to suspend under this sentence only in good faith in relation to events or circumstances that are not the result of actions of it or any of its Affiliates that are taken with the intent to avoid its obligations under the Transactions.</p>
Relevant Settlement Date:	<p>For any Settlement of any Transaction, the Settlement Date, Cash Settlement Payment Date or Net Share Settlement Date for such Settlement, as the case may be.</p>
Other Applicable Provisions:	<p>To the extent Dealer is obligated to deliver Shares under any Transaction, the provisions of Sections 9.2 (last sentence only), 9.8, 9.9, 9.10, 9.11 and 9.12 of the Equity Definitions will be applicable as if “Physical Settlement” applied to such Transaction; <i>provided</i> that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws that exist as a result of the fact that Counterparty is the issuer of the Shares.</p>

Share Adjustments:

Potential Adjustment Events:	Notwithstanding anything to the contrary in the Equity Definitions, none of (i) an Extraordinary Dividend, (ii) the issuance of stock-based awards in the ordinary course pursuant to the Counterparty's employee and director's benefit plans or (iii) the issuance of stock in the ordinary course under the Counterparty's employee stock purchase plan shall constitute a Potential Adjustment Event. For the avoidance of doubt, a cash dividend on the Shares that differs from expected dividends as of the first Trading Day of the Forward Hedge Selling Period for such Transaction shall not be a Potential Adjustment Event under Section 11.2(e)(vii) of the Equity Definitions with respect to such Transaction.
Extraordinary Dividend:	For any Transaction, any dividend or distribution on the Shares with an ex-dividend date occurring on any day following the first Trading Day of the Forward Hedge Selling Period for such Transaction (other than (i) any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii) (A) of the Equity Definitions or (ii) a regular, quarterly cash dividend in an amount equal to or less than the Regular Dividend Amount for such calendar quarter for such Transaction that has an ex-dividend date no earlier than the Forward Price Reduction Date occurring in the relevant quarter for such Transaction).
Regular Dividend Amount:	For each Transaction and each calendar quarter, the amount set forth under the heading "Regular Dividend Amount" in the Supplemental Confirmation for such Transaction and such calendar quarter, as specified in Schedule I to the Supplemental Confirmation for such Transaction.
Method of Adjustment:	Calculation Agent Adjustment.

Extraordinary Events:

Extraordinary Events:

The consequences that would otherwise apply under Article 12 of the Equity Definitions to any applicable Extraordinary Event (excluding any Change in Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow or any Extraordinary Event that also constitutes a Bankruptcy Termination Event, but including, for the avoidance of doubt, any other applicable Additional Disruption Event) shall not apply.

Tender Offer:

Applicable; *provided* that Section 12.1(d) of the Equity Definitions shall be amended by replacing the reference therein to “10%” with a reference to “20%”.

Delisting:

In addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

Change in Law:

Applicable; *provided* that (A) any determination as to whether (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (ii) the promulgation of or any change in or public announcement of the formal or informal interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a “Change in Law” shall be made without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, (B) Section 12.9(a)(ii) of the Equity Definitions is hereby amended (i) by adding the words “(including, for the avoidance of doubt and without limitation, adoption or promulgation of new regulations authorized or mandated by existing statute)” after the

word “regulation” in the second line thereof and (ii) by replacing the words “the interpretation” with the words “or public announcement of any formal or informal interpretation” in the third line thereof and (C) the words “, unless the illegality is due to an act or omission of the party seeking to elect termination of the Transaction with the intent to avoid its obligations under the terms of the Transaction” are added immediately following the word “Transaction” in the fifth line thereof; and *provided further* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by adding the phrase “and/or Hedge Position” after the word “Shares” in clause (X) thereof and (iii) by immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”.

- Failure to Deliver: Applicable with respect to a Transaction if Dealer is required to deliver Shares under such Transaction; otherwise, Not Applicable.
- Hedging Disruption: Applicable
- Increased Cost of Hedging: Applicable; *provided* that Section 12.9(b)(vi) of the Equity Definitions shall be amended by (i) adding “or” before clause (B) of the second sentence thereof, (ii) deleting clause (C) of the second sentence thereof and (iii) deleting the third and fourth sentences thereof.
- Increased Cost of Stock Borrow: Applicable; *provided* that Section 12.9(b)(v) of the Equity Definitions shall be amended by (i) adding “or” before clause (B) of the second sentence thereof, (ii) deleting clause (C) of the second sentence thereof and (iii) deleting the third, fourth and fifth sentences thereof. For the avoidance of doubt, upon the announcement of any event that, if consummated, would result in a Merger Event or Tender Offer, the term “rate to borrow Shares” as used in Section 12.9(a)(viii) of the Equity Definitions shall include any commercially reasonable cost borne or amount payable by the Hedging Party in respect of maintaining or reestablishing its hedge position with respect to the relevant Transaction, including, but not limited to, any assessment or other amount payable by the Hedging Party to a lender of Shares in respect of any merger or tender offer premium, as applicable.

Initial Stock Loan Rate:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction.
Loss of Stock Borrow:	Applicable; <i>provided</i> that Section 12.9(b)(iv) of the Equity Definitions shall be amended by (i) deleting clause (A) of the first sentence thereof in its entirety and (ii) replacing the words “neither the Non-Hedging Party nor the Lending Party lends” with “the Lending Party does not lend” in the second sentence thereof.
Maximum Stock Loan Rate:	For each Transaction, as specified in the Supplemental Confirmation for such Transaction.
Hedging Party:	For all applicable Additional Disruption Events, Dealer
Determining Party:	For all applicable Extraordinary Events, Dealer
<u>Early Valuation:</u>	
Early Valuation:	<p>For any Transaction, notwithstanding anything to the contrary herein, in the Agreement, in any Supplemental Confirmation or in the Equity Definitions, at any time (x) following the occurrence of a Hedging Event with respect to such Transaction, the declaration by Issuer of an Extraordinary Dividend, or an ISDA Event with respect to such Transaction or (y) if an Excess Section 13 Ownership Position, an Excess NYSE Ownership Position or an Excess Regulatory Ownership Position exists, Dealer (or, in the case of such an ISDA Event that is an Event of Default or Termination Event, the party entitled to designate an Early Termination Date in respect of such event pursuant to Section 6 of the Agreement) shall have the right to designate any Scheduled Trading Day to be the “Early Valuation Date” for such Transaction, in which case the provisions set forth in this “Early Valuation” Section shall apply to such Transaction, in the case of an Event of Default or Termination Event, in lieu of Section 6 of the Agreement. For the avoidance of doubt, any amount calculated pursuant to this “Early Valuation” Section as a result of an Extraordinary Dividend shall not be adjusted by the value associated with such Extraordinary Dividend.</p> <p>Dealer covenants and agrees with Counterparty that Dealer will not knowingly cause the occurrence of an Excess Section 13 Ownership Position, an Excess NYSE Ownership Position or an Excess Regulatory Ownership Position on any day during the term of any Transaction for the purpose, in whole or in part, of causing the occurrence of an Early Valuation Date.</p>

If an Early Valuation Date for a Transaction occurs on a date that is not during an Unwind Period for such Transaction, then such Early Valuation Date shall be a Valuation Date for a Physical Settlement of such Transaction, and the number of Settlement Shares for such Settlement shall be the Number of Shares on such Early Valuation Date; *provided* that Dealer may in its sole discretion permit Counterparty to elect Cash Settlement or Net Share Settlement in respect of such Transaction. Notwithstanding anything to the contrary in this Master Confirmation, any Supplemental Confirmation, the Agreement or the Equity Definitions, if Dealer designates an Early Valuation Date with respect to a Transaction following the occurrence of an ISDA Event and such Early Valuation Date is to occur before the date that is one Settlement Cycle after the last day of the Forward Hedge Selling Period for such Transaction, then, for purposes of such Early Valuation Date, (i) a Supplemental Confirmation relating to such Transaction shall, notwithstanding the provisions under Section 3 of this Master Confirmation, be deemed to be effective; and (ii) the Forward Price shall be deemed to be the Initial Forward Price (calculated assuming that the last Trading Day of such Forward Hedge Selling Period were the day immediately following the date Dealer so notifies Counterparty of such designation of an Early Valuation Date for purposes of such Early Valuation Date).

If an Early Valuation Date for a Transaction occurs during an Unwind Period for such Transaction, then (i) (A) the last Unwind Date of such Unwind Period shall be deemed to be such Early Valuation Date, (B) a Settlement shall occur in respect of such Unwind Period, and the Settlement Method elected by Counterparty in respect of such Settlement shall apply, and (C) the number of Settlement Shares for such Settlement shall be the number of Unwound Shares for such Unwind Period on such Early Valuation Date, and (ii) (A) such Early Valuation Date shall be a Valuation Date for an additional Physical Settlement of such Transaction (*provided* that Dealer may in its sole discretion elect that the Settlement Method elected by Counterparty for the Settlement described in clause (i) of this sentence shall apply) and (B) the number of Settlement Shares for such additional Settlement shall be the number of Remaining Shares on such Early Valuation Date.

Notwithstanding the foregoing, in the case of a Nationalization or Merger Event, if at the time of the related Relevant Settlement Date the Shares have changed into cash or any other property or the right to receive cash or any other property, the Calculation Agent shall adjust the nature of the Shares as it determines appropriate to account for such change such that the nature of the Shares is consistent with what shareholders receive in such event.

ISDA Event:

(i) Any Event of Default or Termination Event, other than an Event of Default or Termination Event that also constitutes a Bankruptcy Termination Event, that gives rise to the right of either party to designate an Early Termination Date pursuant to Section 6 of the Agreement or (ii) the announcement of any event or transaction on or after the first Trading Day of the Forward Hedge Selling Period for such Transaction that, if consummated, would result in a Merger Event, Tender Offer, Nationalization, Delisting or Change in Law, in each case, as determined by the Calculation Agent.

Amendment to Merger Event:

Section 12.1(b) of the Equity Definitions is hereby amended by deleting the remainder of such Section beginning with the words “in each case if the Merger Date is on or before” in the fourth to last line thereof.

Hedging Event:

In respect of any Transaction, the occurrence of any of the following events on or following the first Trading Day of the Forward Hedge Selling Period: (i) (x) a Loss of Stock Borrow in connection with which Counterparty does not refer the Hedging Party to a satisfactory Lending Party within the required time period as provided in Section 12.9(b)(iv) of the Equity Definitions or (y) a Hedging Disruption, (ii) (A) an Increased Cost of Stock Borrow or (B) an Increased Cost of Hedging in connection with which, in the case of sub-clause (A) or (B), Counterparty does not elect, and so notify the Hedging Party of its election, in each case, within the required time period to either amend such Transaction pursuant to Section 12.9(b)(v)(A) or Section 12.9(b)(vi)(A) of the Equity Definitions, as applicable, or pay an amount determined by the

Calculation Agent that corresponds to the relevant Price Adjustment pursuant to Section 12.9(b)(v)(B) or Section 12.9(b)(vi)(B) of the Equity Definitions, as applicable, or (iii) the occurrence of a Market Disruption Event during an Unwind Period for such Transaction and the continuance of such Market Disruption Event for at least eight Scheduled Trading Days. In respect of any Transaction, if a Hedging Event occurs with respect to such Transaction on or after the first Trading Day of the Forward Hedge Selling Period for such Transaction and prior to the Trade Date for such Transaction, the Calculation Agent may reduce the Initial Forward Price to account for such Hedging Event and any costs or expenses reasonably incurred by Dealer as a result of such Hedging Event.

Remaining Shares:

For any Transaction, on any day, the Number of Shares for such Transaction as of such day (or, if such day occurs during an Unwind Period for such Transaction, the Number of Shares for such Transaction as of such day *minus* the Unwound Shares for such Transaction for such Unwind Period on such day).

Unwound Shares:

For any Transaction, for any Unwind Period in respect of such Transaction on any day, the aggregate number of Shares with respect to which Dealer has unwound its commercially reasonable hedge position in respect of such Transaction in connection with the related Settlement as of such day.

Acknowledgements:

Non-Reliance:

Applicable

Agreements and Acknowledgements
Regarding Hedging Activities:

Applicable

Additional Acknowledgements:

Applicable

Calculation Agent:

Dealer; *provided* that, following the occurrence and during the continuation of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Dealer is the sole Defaulting Party, Counterparty shall have the right to select a leading dealer in the market for U.S. corporate equity derivatives reasonably acceptable to Dealer to replace Dealer as the Calculation Agent, and the parties shall work in good faith to execute any appropriate

documentation required by such replacement Calculation Agent. Following any determination or calculation by the Calculation Agent hereunder, upon a written request by Counterparty, the Calculation Agent will, within a commercially reasonable period of time following such request, provide to Counterparty by e-mail to the e-mail address provided by Counterparty in such written request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such determination or calculation, as the case may be; *provided* that Dealer shall not be required to disclose any proprietary or confidential models of Dealer or any information that is proprietary or subject to contractual, legal or regulatory obligations to not disclose such information.

Payments and Deliveries:

Counterparty Payment and Delivery Instructions: To be provided by Counterparty

Dealer Payment and Delivery Instructions: To be provided by Dealer

Contact Details:

Counterparty's Contact Details for Purpose of Giving Notice: To be provided by Counterparty

Dealer's Contact Details for Purpose of Giving Notice: To be provided by Dealer

Dealer's Contact Details for Trade Affirmations and Settlements: To be provided by Dealer

Dealer's Contact Details for Trade Confirmations: To be provided by Dealer

Offices:

Office of Counterparty: Not Applicable; Counterparty is not a Multibranch Party.

Office of Dealer: For each Transaction, as specified in the Supplemental Confirmation for such Transaction.

3. Effectiveness.

The effectiveness of each Supplemental Confirmation and the related Transaction on the Effective Date for such Supplemental Confirmation shall be subject to the following conditions except to the extent previously waived by Dealer in writing:

(a) the representations and warranties of Counterparty contained in the Equity Distribution Agreement, and any certificate delivered pursuant thereto by Counterparty shall be true and correct on such Effective Date as if made as of such Effective Date;

(b) Counterparty shall have performed all of the obligations required to be performed by it under the Equity Distribution Agreement on or prior to such Effective Date;

(c) all of the conditions set forth in Section 5 of the Equity Distribution Agreement shall have been satisfied;

(d) such Supplemental Confirmation shall be dated during the period commencing on the date of the Equity Distribution Agreement and expiring on the earlier to occur of (i) the date on which on which the gross sale price of Shares sold pursuant to the Equity Distribution Agreement and any similar agreement or agreements with one or more other dealers and dated the date thereof is equal to or exceeds USD 900 million and (ii) the date on which the Equity Distribution Agreement is terminated;

(e) all of the representations and warranties of Counterparty hereunder and under the Agreement shall be true and correct on such Effective Date as if made as of such Effective Date; and

(f) Counterparty shall have performed all of the obligations required to be performed by it hereunder and under the Agreement on or prior to such Effective Date, including without limitation its obligations under Section 5 and Section 6 of this Master Confirmation.

(g) Counterparty shall have delivered to Dealer an opinion of counsel in form and substance reasonably satisfactory to Dealer, with respect to the matters set forth in Section 3(a) of the Agreement and that the maximum number of Shares initially issuable under such Transaction have been duly authorized and, upon issuance pursuant to the terms of such Transaction, will be validly issued, fully paid and nonassessable.

Notwithstanding the foregoing or any other provision of this Master Confirmation or any Supplemental Confirmation, if in respect of any Transaction on or prior to 9:00 a.m., New York City time, on any Forward Hedge Settlement Date, in connection with establishing its commercially reasonable hedge position in respect of such Transaction Dealer, in its sole judgment, it (or its affiliate) (x) is unable, after using commercially reasonable efforts, to borrow and deliver for sale the full number of Shares to be borrowed and sold pursuant to the Equity Distribution Agreement on such Forward Hedge Settlement Date or (y) would incur a stock loan cost of more than a rate equal to the Maximum Stock Loan Rate for such Transaction with respect to all or any portion of such full number of Shares, then the effectiveness of the related Supplemental Confirmation and such Transaction shall be limited to the number of Shares Dealer is so able to borrow in connection with establishing its commercially reasonable hedge

position of such Transaction at a cost of not more than a rate equal to the Maximum Stock Loan Rate for such Transaction, which, for the avoidance of doubt, may be zero. “**Forward Hedge Settlement Date**” will mean a Trading Day that is one Settlement Cycle immediately following the Trading Day on which the sale of any Forward Hedge Shares occurs pursuant to the Equity Distribution Agreement.

4. Additional Mutual Representations and Warranties. In addition to the representations and warranties in the Agreement, each party represents and warrants to the other party that it is an “eligible contract participant”, as defined in the U.S. Commodity Exchange Act (as amended), and an “accredited investor” as defined in Section 2(a)(15)(ii) of the Securities Act of 1933 (as amended) (the “**Securities Act**”), and is entering into each Transaction hereunder as principal and not for the benefit of any third party.

5. Additional Representations, Warranties and Agreements of Counterparty. Counterparty represents and warrants to Dealer that the representations and warranties of Counterparty which are set forth in Section 1 of the Equity Distribution Agreement are true and correct as of the date hereof and, except to the extent previously waived by Dealer in writing, will be deemed to have represented and warranted to Dealer that such representations and warranties are true and correct as of the date of each Supplemental Confirmation, each Trade Date for any Transaction and each Forward Hedge Settlement Date for any Transaction. Such representations and warranties hereby are deemed to be repeated to Dealer on the date hereof and on each such other date as if set forth herein. In addition to the representations and warranties in Section 1 of the Equity Distribution Agreement, the Agreement and those contained elsewhere herein, Counterparty represents and warrants to Dealer, and agrees with Dealer, that:

(a) without limiting the generality of Section 13.1 of the Equity Definitions, it acknowledges that Dealer is not making any representations or warranties with respect to the treatment of any Transaction, including without limitation ASC Topic 260, *Earnings Per Share*, ASC Topic 815, *Derivatives and Hedging*, ASC Topic 480, *Distinguishing Liabilities from Equity*, ASC 815-40, *Derivatives and Hedging — Contracts in Entity’s Own Equity* (or any successor issue statements) or under the Financial Accounting Standards Board’s Liabilities & Equity Project;

(b) it shall not take any action to reduce or decrease the number of authorized and unissued Shares below the sum of (i) the aggregate Number of Shares across all Transactions hereunder *plus* (ii) the total number of Shares issuable upon settlement (whether by physical settlement, net share settlement or otherwise) of any other transaction or agreement to which it is a party;

(c) it will not repurchase any Shares if, immediately following such repurchase, the aggregate Number of Shares across all Transactions hereunder would be equal to or greater than [4.5%] [8.5%] of the number of then-outstanding Shares and it will notify Dealer promptly upon the announcement or consummation of any repurchase of Shares in an amount that, taken together with the amount of all repurchases since the date of the last such notice (or, if no such notice has been given, since the Trade Date), exceeds 0.5% of the number of then-outstanding Shares;

(d) it is not entering into this Master Confirmation or any Supplemental Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares), or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) for the purpose of inducing the purchase or sale of the Shares (or any security convertible into or exchangeable for Shares) by others;

(e) it is not aware of any material non-public information regarding itself or the Shares; it is entering into this Master Confirmation and each Supplemental Confirmation and will provide any Settlement Notice in good faith and not as part of a plan or scheme to evade compliance with Rule 10b-5 or any other provision of the federal securities laws; it has not entered into or altered any hedging transaction relating to the Shares corresponding to or offsetting any Transaction; and it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”);

(f) as of the date hereof and the Trade Date for each Transaction no state or local (including non-U.S. jurisdictions) law, rule, regulation or regulatory order applicable to the Shares would give rise to any reporting, consent, registration or other requirement (including without limitation a requirement to obtain prior approval from any person or entity) as a result of Dealer or its affiliates owning or holding (however defined) Shares; *provided* that Counterparty makes no such representation or warranty regarding any such requirement that is applicable generally to the ownership of equity securities by Dealer;

(g) as of the date hereof, the Trade Date for each Transaction and the date of any payment or delivery by Counterparty or Dealer under any Transaction, it is not and will not be “insolvent” (as such term is defined under Section 101(32) of the Bankruptcy Code);

(h) it is not as of the date hereof, and on the Trade Date for each Transaction and after giving effect to the transactions contemplated hereby and by each Supplemental Confirmation will not be, required to register as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended;

(i) as of the date hereof and the Trade Date for each Transaction it: (i) is an “institutional account” as defined in FINRA Rule 4512(c); and (ii) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating any recommendations of Dealer or its associated persons; and

(j) IT UNDERSTANDS AS OF THE DATE HEREOF AND AS OF THE TRADE DATE FOR EACH TRANSACTION THAT EACH TRANSACTION IS SUBJECT TO COMPLEX RISKS WHICH MAY ARISE WITHOUT WARNING AND MAY AT TIMES BE VOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDE AND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS.

6. Additional Covenants of Counterparty.

(a) Counterparty acknowledges and agrees that any Shares delivered by Counterparty to Dealer on any Settlement Date or Net Share Settlement Date for any Transaction will be (i) newly issued, (ii) approved for listing or quotation on the Exchange, subject to official notice of issuance, and (iii) registered under the Exchange Act, and, when delivered by Dealer (or an affiliate of Dealer) to securities lenders from whom Dealer (or an affiliate of Dealer) borrowed Shares in connection with hedging its exposure to such Transaction, will be freely saleable without further registration or other restrictions under the Securities Act in the hands of those securities lenders, irrespective of whether any such stock loan is effected by Dealer or an affiliate of Dealer (provided that such Shares may be subject to resale restrictions if the status of any such securities lender would cause any such resale restrictions to apply by virtue of its share ownership in Counterparty, status as an “affiliate” of Counterparty or otherwise). Accordingly, Counterparty agrees that any Shares so delivered will not bear a restrictive legend and will be deposited in, and the delivery thereof shall be effected through the facilities of, the Clearance System. In addition, Counterparty represents and agrees that any such Shares shall be, upon such delivery, duly and validly authorized, issued and outstanding, fully paid and nonassessable, free of any lien, charge, claim or other encumbrance.

(b) Counterparty agrees that Counterparty shall not enter into or alter any hedging transaction relating to the Shares corresponding to or offsetting any Transaction. Without limiting the generality of the provisions set forth opposite the caption “Unwind Activities” in Section 2 of this Master Confirmation, Counterparty acknowledges that it has no right to, and agrees that it will not seek to, control or influence Dealer’s decision to make any “purchases or sales” (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under or in connection with any Transaction, including, without limitation, Dealer’s decision to enter into any hedging transactions.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or any Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a “plan” as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

(d) Counterparty shall promptly provide notice thereof to Dealer (i) upon the occurrence of any event that would constitute an Event of Default or a Termination Event in respect of which Counterparty is a Defaulting Party or an Affected Party, as the case may be, and (ii) upon announcement of any event that, if consummated, would constitute an Extraordinary Event or Potential Adjustment Event.

(e) Neither Counterparty nor any of its “affiliated purchasers” (as defined by Rule 10b-18 under the Exchange Act (“**Rule 10b-18**”)) shall take any action that would cause any purchases of Shares by Dealer or any of its Affiliates in connection with any Cash Settlement or Net Share Settlement of any Transaction or any corresponding settlement of any other issuer forward sale or similar transaction with Dealer not to meet the requirements of

the safe harbor provided by Rule 10b-18 if such purchases were made by Counterparty. Without limiting the generality of the foregoing, during any Unwind Period for any Transaction, except with the prior written consent of Dealer, Counterparty will not, and will cause its affiliated purchasers (as defined in Rule 10b-18) not to, directly or indirectly (including by means of a derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or announce or commence any tender offer relating to, any Shares (or equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable for the Shares. However, the foregoing shall not (i) limit Counterparty's ability, pursuant to any issuer "plan" (as defined in Rule 10b-18), to re-acquire Shares from employees in connection with such plan or program, (ii) limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such a plan, (iii) prohibit any purchases effected by or for an issuer "plan" by an "agent independent of the issuer" (each as defined in Rule 10b-18), (iv) otherwise restrict Counterparty's or any of its affiliates' ability to repurchase Shares under privately negotiated, off-exchange transactions with any of its employees, officers, directors, affiliates or any third party that are not expected to result in market transactions or (v) limit Counterparty's ability to grant stock and options to "affiliated purchasers" (as defined in Rule 10b-18) or the ability of such affiliated purchasers to acquire such stock or options in connection with any issuer "plan" (as defined in Rule 10b-18) for directors, officers and employees or any agreements with respect to any such plan for directors, officers or employees of any entities that are acquisition targets of Counterparty, and in connection with any such purchase under (i) through (v) above, Counterparty will be deemed to represent to Dealer that such purchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

(f) Counterparty will not take, or permit to be taken, any action to cause any "restricted period" (as such term is defined in Regulation M promulgated under the Exchange Act ("**Regulation M**")) to occur in respect of Shares or any security with respect to which the Shares are a "reference security" (as such term is defined in Regulation M) during any Unwind Period for any Transaction.

(g) Counterparty shall: (i) prior to the opening of trading in the Shares on any day on which Counterparty makes, or expects to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction during any Unwind Period, notify Dealer of such public announcement; (ii) promptly notify Dealer following any such announcement that such announcement has been made; (iii) promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Dealer with written notice specifying (A) Counterparty's average daily Rule 10b-18 purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date for the Merger Transaction that were not effected through Dealer or its affiliates and (B) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding such announcement date. Such written notice shall be deemed to be a certification by Counterparty to Dealer that such information is true and correct. In addition, Counterparty shall promptly notify Dealer of the earlier to occur of the completion of such transaction and the completion of the vote by target shareholders. Counterparty acknowledges that any such notice may result in a Regulatory Disruption, a Trading Condition or, if such notice relates to an event that is also an ISDA Event, an Early Valuation, or may affect the length of any ongoing Unwind Period; accordingly,

Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6(c) of this Master Confirmation. “**Merger Transaction**” means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act. For the avoidance of doubt, a Merger Transaction or the announcement thereof shall not give either party the right to designate an Early Valuation Date for any Transaction and/or to accelerate or preclude an election by Counterparty of Physical Settlement for any Settlement of any Transaction, unless such Merger Transaction or the announcement thereof is also an ISDA Event.

7. Termination on Bankruptcy. The parties hereto agree that, notwithstanding anything to the contrary in the Agreement or the Equity Definitions, each Transaction constitutes a contract to issue a security of Counterparty as contemplated by Section 365(c)(2) of the Bankruptcy Code and that a Transaction and the obligations and rights of Counterparty and Dealer (except for any liability as a result of breach of any of the representations or warranties provided by Counterparty in Section 4 or Section 5 of this Master Confirmation) shall immediately terminate, without the necessity of any notice, payment (whether directly, by netting or otherwise) or other action by Counterparty or Dealer, if, on or prior to the final Settlement Date, Cash Settlement Payment Date or Net Share Settlement Date, as the case may be, for such Transaction an Insolvency Filing occurs or any other proceeding commences with respect to Counterparty under the Bankruptcy Code (a “**Bankruptcy Termination Event**”).

8. Additional Provisions.

(a) Dealer acknowledges and agrees that Counterparty’s obligations under the Transactions are not secured by any collateral and that neither this Master Confirmation nor any Supplemental Confirmation is intended to convey to Dealer rights with respect to the transactions contemplated hereby and by any Supplemental Confirmation that are senior to the claims of common stockholders in any U.S. bankruptcy proceedings of Counterparty; *provided* that nothing herein shall limit or shall be deemed to limit Dealer’s right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to this Master Confirmation, any Supplemental Confirmation or the Agreement; *provided further* that nothing herein shall limit or shall be deemed to limit Dealer’s rights in respect of any transaction other than the Transactions.

(b) [*Reserved*]

(c) The parties hereto intend for:

(i) each Transaction to be a “securities contract” as defined in Section 741(7) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(27), 362(o), 546(e), 546(j), 555 and 561 of the Bankruptcy Code;

(ii) the rights given to Dealer pursuant to “Early Valuation” in Section 2 of this Master Confirmation to constitute “contractual rights” to cause the liquidation of a “securities contract” and to set off mutual debts and claims in connection with a “securities contract”, as such terms are used in Sections 555 and 362(b)(6) of the Bankruptcy Code;

(iii) any cash, securities or other property provided as performance assurance, credit support or collateral with respect to the Transactions to constitute “margin payments” and “transfers” under a “securities contract” as defined in the Bankruptcy Code;

(iv) all payments for, under or in connection with the Transactions, all payments for Shares and the transfer of Shares to constitute “settlement payments” and “transfers” under a “securities contract” as defined in the Bankruptcy Code; and

(v) any or all obligations that either party has with respect to this Master Confirmation, any Supplemental Confirmation or the Agreement to constitute property held by or due from such party to margin, guaranty or settle obligations of the other party with respect to the transactions under the Agreement (including the Transactions) or any other agreement between such parties.

(d) Notwithstanding any other provision of the Agreement, this Master Confirmation or any Supplemental Confirmation, in no event will Counterparty be required to deliver in the aggregate in respect of all Settlement Dates, Net Share Settlement Dates or other dates on which Shares are delivered in respect of any amount owed under any Transaction a number of Shares greater than two times the Number of Shares for such Transaction as of the Trade Date for such Transaction (the “**Capped Number**”). The Capped Number shall be subject to adjustment only on account of (x) Potential Adjustment Events of the type specified in (1) Sections 11.2(e)(i) through (vi) of the Equity Definitions or (2) Section 11.2(e)(vii) of the Equity Definitions so long as, in the case of this sub-clause (2), such event is within Issuer’s control, and (y) Merger Events requiring corporate action of Issuer (or any surviving entity of the Issuer hereunder in connection with any such Merger Event). Counterparty represents and warrants to Dealer (which representation and warranty shall be deemed to be repeated for all Transactions on each day that any Transaction is outstanding) that the aggregate Capped Number across all Transactions hereunder is equal to or less than the number of authorized but unissued Shares that are not reserved for future issuance in connection with transactions in the Shares (other than the Transactions) on the date of the determination of such aggregated Capped Number. In the event Counterparty shall not have delivered the full number of Shares otherwise deliverable under any Transaction as a result of this Section 8(d) (the resulting deficit for such Transaction, the “**Deficit Shares**”), Counterparty shall be continually obligated to deliver Shares, from time to time until the full number of Deficit Shares have been delivered pursuant to this paragraph, on a pro rata basis across all Transactions hereunder, when, and to the extent that, (A) Shares are repurchased, acquired or otherwise received by Counterparty or any of its subsidiaries after the date hereof (whether or not in exchange for cash, fair value or any other consideration), (B) authorized and unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved or (C) Counterparty additionally authorizes any unissued Shares that are not reserved for transactions other than the Transactions (such events as set forth in clauses (A), (B) and (C) above, collectively, the “**Share Issuance Events**”). Counterparty shall promptly notify Dealer of the occurrence of any of the Share Issuance Events (including the number of Shares subject to clause (A), (B) or (C) and the

corresponding number of Shares to be delivered for each Transaction) and, as promptly as reasonably practicable, deliver such Shares thereafter. Counterparty shall not, until Counterparty's obligations under the Transactions have been satisfied in full, use any Shares that become available for potential delivery to Dealer as a result of any Share Issuance Event for the settlement or satisfaction of any transaction or obligation other than the Transactions or reserve any such Shares for future issuance for any purpose other than to satisfy Counterparty's obligations to Dealer under the Transactions.

(e) The parties intend for this Master Confirmation and each Supplemental Confirmation to constitute a "Contract" as described in the letter dated October 6, 2003 submitted on behalf of Goldman, Sachs & Co. to Paula Dubberly of the staff of the Securities and Exchange Commission (the "Staff") to which the Staff responded in an interpretive letter dated October 9, 2003.

(f) The parties intend for each Transaction (taking into account purchases of Shares in connection with any Cash Settlement or Net Share Settlement of any Transaction) to comply with the requirements of Rule 10b5-1(c)(1)(i)(A) under the Exchange Act and for this Master Confirmation and each Supplemental Confirmation to constitute a binding contract or instruction satisfying the requirements of 10b5-1(c) and to be interpreted to comply with the requirements of Rule 10b5-1(c).

(g) Notwithstanding any provisions of the Agreement, all communications relating to the Transactions or the Agreement shall be transmitted to Dealer exclusively in accordance with its contact details for purposes of giving notice in Section 2 of this Master Confirmation.

(h) Counterparty acknowledges that:

(i) during the term of the Transactions, Dealer and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to the Transactions;

(ii) Dealer and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to the Transactions, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) Dealer shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the Settlement Price for each Transaction;

(iv) any market activities of Dealer and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and the Settlement Price for each Transaction, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction; Dealer may purchase or sell shares for its own account at an average price that may be greater than, or less than, the price received by Counterparty under the terms of the relevant Transaction.

(i) Counterparty and Dealer agree and acknowledge that (A) the Transactions contemplated by this Master Confirmation will be entered into in reliance on the fact that this Master Confirmation and each Supplemental Confirmation hereto form a single agreement between Counterparty and Dealer, and Dealer would not otherwise enter into such Transactions; (B) this Master Confirmation, together with each Supplemental Confirmation hereto, is a “qualified financial contract,” as such term is defined in Section 5-701(b)(2) of the General Obligations Law; (C) each Supplemental Confirmation hereto, regardless of whether transmitted electronically or otherwise, constitutes a “confirmation in writing sufficient to indicate that a contract has been made between the parties” hereto, as set forth in Section 5-701(b)(3)(b) of the General Obligations Law; and (D) this Master Confirmation and each Supplemental Confirmation hereto constitute a prior “written contract,” as set forth in Section 5-701(b)(1)(b) of the General Obligations Law, and each party hereto intends and agrees to be bound by this Master Confirmation and such Supplemental Confirmation.

(j) Counterparty and Dealer agree that, notwithstanding anything to the contrary herein, upon the execution and delivery of any Supplemental Confirmation relating to a Transaction by Counterparty, each of the representations, warranties, covenants, agreements and other provisions of this Master Confirmation and the Supplemental Confirmation for such Transaction (including, without limitation, Dealer’s right to designate an Early Valuation Date in respect of such Transaction pursuant to the provisions opposite the caption “Early Valuation” in Section 2 of this Master Confirmation and the termination of such Transaction following a Bankruptcy Termination Event as described in Section 7 of this Master Confirmation) shall govern, and be applicable to, such Transaction as of the first Trading Day of the Forward Hedge Selling Period for such Transaction as if the Trade Date for such Transaction were such first Trading Day.

(k) Tax Matters.

(i) Payer Tax Representations. For the purpose of Section 3(e) of the Agreement, each of Dealer and Counterparty makes the following representation: It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 9(h) of the Agreement) to be made by it to the other party under the Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of the Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or Section 4(a)(iii) of the Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or Section 4(a)(iii) of the Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of the Agreement, except that it will not be a breach of this representation where reliance is placed on clause (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) of the Agreement by reason of material prejudice to its legal or commercial position.

(ii) Change of Account. Section 2(b) of the Agreement is hereby amended by the addition of the following after the word “delivery” in the first line thereof: “to another account in the same legal and tax jurisdiction”.

(iii) “Tax” as used in this clause (k) and “Indemnifiable Tax” as defined in Section 14 of the Agreement shall not include (A) any tax imposed or collected pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a “**FATCA Withholding Tax**”) and (B) any tax imposed or collected pursuant to Section 871(m) of the Code or any current or future regulations or official interpretation thereof (a “**Section 871(m) Withholding Tax**”). For the avoidance of doubt, each of a FATCA Withholding Tax and a Section 871(m) Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for purposes of Section 2(d) of the Agreement.

9. **Indemnification.** Counterparty agrees to indemnify and hold harmless Dealer, its affiliates and their respective directors, officers, employees, and controlling persons (Dealer and each such person being an “**Indemnified Party**”) from and against any and all losses (excluding, for the avoidance of doubt, financial losses resulting from the economic terms of the Transactions), claims, damages and liabilities (or actions in respect thereof), joint or several, incurred by or asserted against such Indemnified Party which arise out of, are in connection with, or relate to any breach of any covenant or representation made by Counterparty in this Master Confirmation and any Supplemental Confirmation. In addition, Counterparty will reimburse any Indemnified Party for all reasonable expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim covered by this Section 9 or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. Counterparty will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a nonappealable judgment by a court of competent jurisdiction to have resulted from Dealer’s breach of any covenant or representation, willful misconduct, gross negligence or bad faith in performing the services that are subject of the Transactions. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law, to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Counterparty also agrees that no Indemnified Party shall have any liability to Counterparty or any person asserting claims on behalf of or in right of Counterparty in connection with or as a result of any matter referred to in this Master Confirmation and any Supplemental Confirmation except to the extent that any losses, claims, damages, liabilities or expenses incurred by Counterparty result from the gross negligence, willful misconduct or bad faith of the Indemnified Party. The provisions of this Section 9 shall survive the completion of the Transactions contemplated by this Master Confirmation and any Supplemental Confirmation and any assignment and/or delegation of the Transactions made pursuant to the Agreement, this Master Confirmation or any Supplemental Confirmation shall inure to the benefit of any permitted assignee of Dealer. For the avoidance of doubt, any payments due as a result of this provision may not be used to set off any obligation of Dealer upon settlement of the Transactions.

10. **Beneficial Ownership.** Notwithstanding anything to the contrary in the Agreement, this Master Confirmation or any Supplemental Confirmation, in no event shall Dealer be entitled to receive, or be deemed to receive, or have the “right to acquire” (within the meaning of NYSE Rule 312.04(g)) Shares to the extent that, upon such receipt of such Shares, (i) the “beneficial ownership” (within the meaning of Section 13 of the Exchange Act and the rules promulgated thereunder) of Shares by Dealer, any of its affiliates’ business units subject to aggregation with Dealer for purposes of the “beneficial ownership” test under Section 13 of the Exchange Act and all persons who may form a “group” (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) with Dealer with respect to “beneficial ownership” of any Shares (collectively, “**Dealer Group**”) would be equal to or greater than the lesser of (x) 4.5% of the outstanding Shares (such condition, an “**Excess Section 13 Ownership Position**”), and (y) 4.9% of the outstanding Shares as of the Trade Date for any Transaction (such number of Shares, the “**Threshold Number of Shares**” and such condition, the “**Excess NYSE Ownership Position**”) or (ii) Dealer, Dealer Group or any person whose ownership position would be aggregated with that of Dealer or Dealer Group (Dealer, Dealer Group or any such person, a “**Dealer Person**”) under Section 203 of the Delaware General Corporation Law or any state or federal bank holding company or banking laws, or any federal, state or local laws, regulations or regulatory orders (including, without limitation, the Federal Power Act) applicable to ownership of Shares (“**Applicable Laws**”), would own, beneficially own, constructively own, control, hold the power to vote or otherwise meet a relevant definition of ownership in excess of a number of Shares equal to (x) the lesser of (A) the maximum number of Shares that would be permitted under Applicable Laws and (B) the number of Shares that would give rise to reporting or registration obligations or other requirements (including obtaining prior approval by a state or federal regulator) of a Dealer Person under Applicable Laws and with respect to which such requirements have not been met or the relevant approval has not been received or that would give rise to any consequences under the constitutive documents of Counterparty or any contract or agreement to which Counterparty is a party, in each case *minus* (y) 1% of the number of Shares outstanding on the date of determination (such condition described in clause (ii), an “**Excess Regulatory Ownership Position**”). Dealer shall notify Counterparty promptly if, at any time, an Excess Section 13 Ownership Position, an Excess NYSE Ownership Position or an Excess Regulatory Ownership Position has occurred or would occur as a result of a delivery by Counterparty to Dealer. If any delivery owed to Dealer under any Transaction is not made, in whole or in part, as a result of this provision, (i) Counterparty’s obligation to make such delivery shall not be extinguished and Counterparty shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, Dealer gives notice to Counterparty that such delivery would not result in (x) Dealer Group directly or indirectly so beneficially owning in excess of the lesser of (A) 4.5% of the outstanding Shares and (B) the Threshold Number of Shares or (y) the occurrence of an Excess Regulatory Ownership Position and (ii) if such delivery relates to a Physical Settlement of any Transaction, notwithstanding anything to the contrary herein, Dealer shall not be obligated to satisfy the portion of its payment obligation with respect to such Transaction corresponding to any Shares required to be so delivered until the date Counterparty makes such delivery.

11. Non-Confidentiality. The parties hereby agree that (i) effective from the date of commencement of discussions concerning the Transactions, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind, including opinions or other tax analyses, provided by Dealer and its affiliates to Counterparty relating to such tax treatment and tax structure; *provided* that the foregoing does not constitute an authorization to disclose the identity of Dealer or its affiliates, agents or advisers, or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information, and (ii) Dealer does not assert any claim of proprietary ownership in respect of any description contained herein or therein relating to the use of any entities, plans or arrangements to give rise to a particular U.S. federal income tax treatment for Counterparty.

12. Restricted Shares. If Counterparty is unable to comply with the covenant of Counterparty contained in the portion of Section 6(a) of this Master Confirmation from and including clause (ii) to and including the penultimate sentence thereof or Dealer otherwise determines in its reasonable opinion that any Shares to be delivered to Dealer by Counterparty under any Transaction may not be freely returned by Dealer to securities lenders as described in the covenant of Counterparty contained in Section 6(a) of this Master Confirmation, then delivery of any such Settlement Shares (the “**Unregistered Settlement Shares**”) shall be effected pursuant to Annex A hereto, unless waived by Dealer.

13. Use of Shares. Dealer acknowledges and agrees that, except in the case of a Private Placement Settlement (as defined in Annex A hereto), Dealer shall use any Shares delivered by Counterparty to Dealer on any Settlement Date to return to securities lenders to close out borrowings created by Dealer in connection with its hedging activities related to exposure under the Transactions or otherwise in compliance with applicable law.

14. Rule 10b-18. In connection with bids and purchases of Shares in connection with any Net Share Settlement or Cash Settlement of any Transaction or any corresponding settlement of any other issuer forward or similar transaction with Dealer, Dealer shall use commercially reasonable efforts to conduct its activities, or cause its affiliates to conduct their activities, in a manner consistent with the requirements of the safe harbor provided by Rule 10b-18 under the Exchange Act, as if such provisions were applicable to such purchases and taking into account any applicable Securities and Exchange Commission no-action letters as appropriate, and subject to any delays between the execution and reporting of a trade of the Shares on the Exchange and other circumstances beyond Dealer’s control.

15. Governing Law. Notwithstanding anything to the contrary in the Agreement, the Agreement, this Master Confirmation, any Supplemental Confirmation, any Pricing Report and all matters arising in connection with the Agreement, this Master Confirmation, any Supplemental Confirmation or any Pricing Report, including any claim, controversy or dispute arising hereunder or thereunder or relating hereto or thereto, shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

16. Set-Off. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under any Transaction against any delivery or payment obligations owed to it by the other party, whether arising under the Agreement, under any other agreement between parties hereto, by operation of law or otherwise.

17. Staggered Settlement. Notwithstanding anything to the contrary herein, Dealer may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an “**Original Delivery Date**”) by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

18. Waiver of Trial by Jury. EACH OF COUNTERPARTY AND DEALER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF DEALER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

19. Jurisdiction. The parties hereto irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City in connection with any suit, action, proceeding, dispute or other matter relating to the Agreement, this Master Confirmation, any Supplemental Confirmation or any Pricing Report and waive any objection to the laying of venue in, and any claim of inconvenient forum with respect to, these courts.

20. Transfer and Assignment; Designation by Dealer.

(a) Notwithstanding any provision of the Agreement to the contrary, Dealer may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of Dealer under any Transaction, in whole or part, to an affiliate of Dealer without the consent of Counterparty; *provided* that (i) at the time of assignment or transfer, such affiliate or its guarantor, if any, has creditworthiness that is equivalent to or better than that of Dealer, (ii) no Event of Default, Potential Event of Default or Termination Event with respect to which Dealer or such affiliate is the Defaulting Party or an Affected Party, as the case may be, exists or would result therefrom, (iii) no event, circumstance or similar condition giving rise to a right or responsibility to designate an Early Valuation Date or otherwise terminate or cancel the Transaction or to make an adjustment to the terms of the Transaction would result therefrom, and (iv) Counterparty shall not, nor is there a material likelihood that it would, as a result of such assignment or transfer (A) be required to pay to Dealer or such affiliate an additional amount in respect of any Tax, (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax as to which no additional amount is required to be paid, (C) otherwise be subject to materially adverse tax consequences, (D) become subject to the jurisdiction of any state or country other than the United States of America or (E) become subject to any regulatory requirements with respect to clearing or margin for uncleared swaps.

(b) Notwithstanding any other provision in this Master Confirmation or any Supplemental Confirmation to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such Shares or other securities and otherwise to perform Dealer's obligations in respect of any Transaction, and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Counterparty only to the extent of any such performance.

21. Counterparts.

(a) This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., DocuSign and AdobeSign (any such signature, an "Electronic Signature")) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The words "execution," "signed," "signature" and words of like import in this Master Confirmation or in any other certificate, agreement or document related to this Master Confirmation shall include any Electronic Signature, except to the extent electronic notices are expressly prohibited under this Master Confirmation or the Agreement.

(b) Notwithstanding anything to the contrary in the Agreement, either party may deliver to the other party a notice relating to any Event of Default or Termination Event under this Master Confirmation by email.

22. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation or any Supplemental Confirmation shall be interpreted as requiring Counterparty to deliver cash or other assets in respect of the settlement of the Transactions, except in circumstances where the required cash or other asset settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging — Contracts in Entity's Own Equity*, as in effect on the date hereof.

23. Adjustments. For the avoidance of doubt, whenever the Calculation Agent, the Hedging Party or the Determining Party is called upon to make an adjustment pursuant to the terms of this Master Confirmation, any Supplemental Confirmation or the Equity Definitions to take into account the effect of an event, the Calculation Agent, the Hedging Party or the Determining Party, as applicable, shall make such adjustment by reference to the effect of such event on the Hedging Party, assuming that the Hedging Party maintains a commercially reasonable hedge position at the time of the event.

24. Other Forward and Similar Dealer Transactions. Dealer acknowledges that Counterparty has entered or may enter in the future into one or more substantially similar forward transactions for the Shares (each, an “**Other Forward**” and collectively, the “**Other Forwards**”) with one or more dealers (each, an “**Other Dealer**” and collectively, the “**Other Dealers**”). Dealer and Counterparty agree that if Counterparty designates a “Settlement Date” with respect to one or more Other Forwards for which “Cash Settlement” or “Net Share Settlement” is applicable, and the resulting “Unwind Period” for such Other Forwards coincides for any period of time with an Unwind Period for the Transaction (the “**Overlap Unwind Period**”), Counterparty shall notify Dealer at least one Scheduled Trading Day prior to the commencement of such Overlap Unwind Period of the first Scheduled Trading Day and length of such Overlap Unwind Period, and Dealer shall be permitted to purchase Shares to unwind its hedge in respect of the Transaction only on alternating Scheduled Trading Days during such Overlap Unwind Period, commencing on the first, second, third or later Scheduled Trading Day of such Overlap Unwind Period, as notified to Dealer by Counterparty at least one Scheduled Trading Day prior to such Overlap Unwind Period (which alternating Scheduled Trading Days, for the avoidance of doubt, may be every other Scheduled Trading Day if there is only one Other Dealer, every third Scheduled Trading Day if there are two Other Dealers, etc.).

25. [No Insurance or Guaranty]. Counterparty understands, agrees and acknowledges that no obligations of Dealer to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any affiliate of Dealer or any governmental agency.]

26. [Wall Street Transparency and Accountability Act]. In connection with Section 739 of the Wall Street Transparency and Accountability Act of 2010 (“WSTAA”), the parties hereby agree that neither the enactment of WSTAA or any regulation under the WSTAA, nor any requirement under WSTAA or an amendment made by WSTAA, shall limit or otherwise impair either party’s otherwise applicable rights to terminate, renegotiate, modify, amend or supplement this Master Confirmation or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased costs, regulatory change or similar event under this Master Confirmation, the Equity Definitions incorporated herein or the Agreement (including, but not limited to, rights arising from an Increased Cost of Stock Borrow, any condition described in clause (i) of Section 10 of this Master Confirmation, an Excess Regulatory Ownership Position, an Illegality, or other event, circumstance or similar condition giving rise to a right or responsibility to designate an Early Valuation Date or otherwise terminate or cancel the Transaction or to make an adjustment to the terms of the Transaction (as defined in the Agreement)).]

27. [Payee Representations and Tax Documents to be Delivered].

(a) *Dealer*. For the purpose of Section 3(f) of the Agreement, Dealer makes the following representation: [to be provided by Dealer]. For the purpose of Section 4(a)(i) and 4(a)(ii) of the Agreement, Dealer agrees to deliver a completed and accurate U.S. Internal Revenue Service Form [to be provided by Dealer] (or successor form), completed in a manner reasonably acceptable to Counterparty, upon execution and delivery of this Master Confirmation, promptly upon reasonable demand by Counterparty and promptly upon learning that any such form previously delivered by Dealer has become [obsolete] [inaccurate] or incorrect.]

(b) *Counterparty*. For the purpose of Section 3(f) of the Agreement, Counterparty makes the following representation: Counterparty is a corporation established under the laws of the State of Delaware and is a “U.S. person” (as that term is used in Section 1.1441-4(a)(3)(ii) of the United States Treasury Regulations) for United States federal income tax purposes. For the purpose of Section 4(a)(i) and 4(a)(ii) of the Agreement, Counterparty agrees to deliver a completed and accurate U.S. Internal Revenue Service Form W-9 (or successor form) [, completed in a manner reasonably acceptable to Dealer,] upon execution and delivery of this Master Confirmation, promptly upon reasonable demand by Dealer and promptly upon learning that any such form previously delivered by Counterparty has become [obsolete] [inaccurate] or incorrect.

(c) For the purpose of Section 4(a)(i) and 4(a)(ii) of the Agreement, each of Dealer and Counterparty agree to deliver any other form or document that may be required by the other party in order to allow such party to make a payment under this Master Confirmation without any deduction or withholding for or on account of any tax or with such deduction or withholding at a reduced rate. In each case, such form or document shall be completed accurately and in a manner reasonably acceptable to the other party and shall be delivered promptly upon reasonable demand by the other party and promptly upon learning that any such form or document previously delivered by it has become [obsolete] [inaccurate] or incorrect.]

28. EMIR Portfolio Reconciliation and NFC Representation Protocols.

(a) *2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol*. The parties agree that the terms of the Attachment to the 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol published by ISDA on July 19, 2013 (“Protocol”) apply to the Agreement as if the parties had adhered to the Protocol without amendment. In respect of the Attachment to the Protocol, (i) the definition of “Adherence Letter” shall be deemed to be deleted and references to “Adherence Letter” shall be deemed to be to this clause (a) (and references to “such party’s Adherence Letter” and “its Adherence Letter” shall be read accordingly), (ii) references to “adheres to the Protocol” shall be deemed to be “enters into the Agreement”, (iii) references to “Protocol Covered Agreement” shall be deemed to be references to the Agreement (and each “Protocol Covered Agreement” shall be read accordingly), and (iv) references to “Implementation Date” shall be deemed to be references to the date of this Master Confirmation. For the purposes of this clause (a):

(i) Dealer is a Portfolio Data Sending Entity and Counterparty is a Portfolio Data Receiving Entity.

(ii) Dealer and Counterparty may use a Third Party Service Provider, and each of Dealer and Counterparty consents to such use, including the communication of the relevant data in relation to Dealer and Counterparty to such Third Party Service Provider for the purposes of the reconciliation services provided by such entity.

(iii) The Local Business Days for such purposes in relation to Dealer are [to be provided by Dealer] and, in relation to Counterparty, are [to be provided by Counterparty].

(iv) The provisions in this paragraph shall survive the termination of this Master Confirmation.

(v) The following are the applicable email addresses:

Portfolio Data:

Dealer:

Counterparty:

Notice of discrepancy:

Dealer:

Counterparty:

Dispute Notice:

Dealer:

Counterparty:

(b) *NFC Representation Protocol*. The parties agree that the provisions set out in the Attachment to the ISDA 2013 EMIR NFC Representation Protocol published by ISDA on March 8, 2013 (the “NFC Representation Protocol”) shall apply to the Agreement as if each party were an Adhering Party under the terms of the NFC Representation Protocol. In respect of the Attachment to the Protocol, (i) the definition of “Adherence Letter” shall be deemed to be deleted and references to “Adherence Letter” shall be deemed to be to this clause (b) (and references to “the relevant Adherence Letter” and “its Adherence Letter” shall be read accordingly), (ii) references to “adheres to the Protocol” shall be “enters into the Agreement”, (iii) references to “Covered Master Agreement” shall be deemed to be references to the Agreement (and each “Covered Master Agreement” shall be read accordingly), and (iv) references to “Implementation Date” shall be deemed to be references to the date of this Master Confirmation. Counterparty confirms that it enters into this Master Confirmation as a party making the NFC Representation (as such term is defined in the NFC Representation Protocol). Counterparty shall promptly send any required notification under the NFC Representation Protocol to Dealer [(with a copy to [to be provided by Dealer]]].

29. Transaction Reporting – Consent for Disclosure of Information.

Notwithstanding anything to the contrary herein or in the Agreement or any non-disclosure, confidentiality or other agreements entered into between the parties from time to time, each party hereby consents to the Disclosure of information (the “**Reporting Consent**”):

- (i) to the extent required by, or necessary in order to comply with, any applicable law, rule or regulation which mandates Disclosure of transaction and similar information or to the extent required by, or necessary in order to comply with, any order, request or directive regarding Disclosure of transaction and similar information issued by any relevant authority or body or agency (“**Reporting Requirements**”); or

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- (ii) to and between the other party's head office, branches or affiliates; to any person, agent, third party or entity who provides services to such other party or its head office, branches or affiliates; to a Market; or to any trade data repository or any systems or services operated by any trade repository or Market, in each case, in connection with such Reporting Requirements.

“**Disclosure**” means disclosure, reporting, retention, or any action similar or analogous to any of the aforementioned.

“**Market**” means any exchange, regulated market, clearing house, central clearing counterparty or multilateral trading facility.

Disclosures made pursuant to this Reporting Consent may include, without limitation, Disclosure of information relating to disputes over transactions between the parties, a party's identity and certain transaction and pricing data and may result in certain anonymous information becoming available to the public or to recipients in a jurisdiction which may have a different level of protection for personal data from that of the relevant party's home jurisdiction.

This Reporting Consent shall be deemed to constitute an agreement between the parties with respect to Disclosure in general and shall survive the termination of this Master Confirmation. No amendment to or termination of this Reporting Consent shall be effective unless such amendment or termination is made in writing between the parties and specifically refers to this Reporting Consent.]

30. [Contractual Recognition of Bail-In (United Kingdom)].

(a) Notwithstanding anything to the contrary in the Agreement or in any other agreement, arrangement or understanding among the parties, each party acknowledges and accepts that liabilities arising under the Agreement (other than Excluded Liabilities) may be subject to the exercise of the UK Bail-in Power by the relevant resolution authority and agrees and consents to, and acknowledges and accepts to be bound by, any Bail-in Action and the effects thereof (including any variation, modification and/or amendment to the terms of the Agreement as may be necessary to give effect to any such Bail-in Action), which if the Bail-in Termination Amount is payable by the BRRD Party to the Creditor Counterparty may include, without limitation:

- (i) a reduction, in full or in part, of the Bail-in Termination Amount; and/or
- (ii) a conversion of all, or a portion of, the Bail-in Termination Amount into shares or other instruments of ownership, in which case the Creditor Counterparty acknowledges and accepts that any such shares or other instruments of ownership may be issued to or conferred upon it as a result of the Bail-in Action.

(b) Each party acknowledges and accepts that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understanding between the parties relating to the subject matter of the Agreement and that no further notice shall be required between the parties pursuant to the Agreement in to order to give effect to the matters described herein.

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- (c) The acknowledgements and acceptances contained in clauses (a) and (b) above will not apply if:
- (i) the relevant resolution authority determines that the liabilities arising under the Agreement may be subject to the exercise of the UK Bail-in Power pursuant to the law of a third country governing such liabilities or a binding agreement concluded with such third country and in either case the UK Regulations have been amended to reflect such determination; and/or
 - (ii) the UK Regulations have been repealed or amended in such a way as to remove the requirement for either party to give or obtain the acknowledgements and acceptances contained in paragraphs (a) and (b).
- (d) Definitions.

“**Bail-in Action**” means the exercise of the UK Bail-in Power by the relevant resolution authority in respect of any transaction under the Agreement.

“**Bail-in Termination Amount**” means the early termination amount or early termination amounts (howsoever described), together with any accrued but unpaid interest thereon, in respect of all transactions (or if the Bail-in Action is exercised only with respect to transactions in one or more netting sets, all transactions relating to such netting set(s), as applicable) under the Agreement (before, for the avoidance of doubt, any such amount is written down or converted by the relevant resolution authority).

“**BRRD**” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“**BRRD Party**” means the party in respect of which the UK Bail-in Power has been exercised by the relevant resolution authority.

“**Creditor Counterparty**” means the party which is not the BRRD Party.

“**Excluded Liabilities**” means liabilities excluded from the scope of the contractual recognition of bail-in requirement pursuant to the UK Regulations.

“**UK Bail-in Power**” means any write-down or conversion power existing from time to time (including, without limitation, any power to amend or alter the maturity of eligible liabilities of an institution under resolution or amend the amount of interest payable under such eligible liabilities or the date on which interest becomes payable, including by suspending payment for a temporary period) under, and exercised in compliance with, the UK Regulations.

“**UK Regulations**” means any laws, regulations, rules or requirements in effect in the United Kingdom relating to the transposition of the BRRD as amended from time to time, including but not limited to, the Banking Act 2009 as amended from time to time, and the instruments, rules and standards created thereunder, pursuant to which the obligations of a regulated entity (or other affiliate of a regulated entity) can be reduced (including to zero), cancelled or converted into shares, other securities, or other obligations of such regulated entity or any other person.

A reference to a “regulated entity” is to any BRRD Undertaking as such term is defined under the PRA Rulebook promulgated by the United Kingdom Prudential Regulation Authority or to any person falling within IFPRU 11.6, of the FCA Handbook promulgated by the United Kingdom Financial Conduct Authority, both as amended from time to time, which includes certain credit institutions, investment firms, and certain of their parent or holding companies.]

[ISDA 2016 Bail-in Art 55 BRRD Protocol. The parties agree that the terms of the Attachment to the ISDA 2016 Bail-in Art 55 BRRD Protocol published by ISDA (“**BRRD Protocol**”) apply to the Agreement (which shall, for these purposes, be deemed to be a “Protocol Covered Agreement”) as if the parties had each adhered to the BRRD Protocol without amendment, with an Implementation Date of January 1, 2016.]

31. [Special Resolution Regime Termination Right.

(a) Upon the occurrence of a Crisis Prevention Measure, Crisis Management Measure or a Recognised Third-Country Resolution Action (each as defined in section 48Z(1) of the UK Banking Act 2009) and/or any Bail-in Action in relation to Dealer, Counterparty shall be entitled to exercise termination rights under, or rights to enforce its rights, in connection with the Agreement, to the extent that it would be entitled to do so under the Special Resolution Regime (as defined in the UK Banking Act 2009) if the Agreement were governed by the laws of any part of the United Kingdom.

(b) For the purposes of clause (a) above, Section 48Z of the U.K. Banking Act 2009 is to be disregarded to the extent that it relates to a Crisis Prevention Measure other than the making of a “mandatory reduction instrument” by the Bank of England under section 6B of the U.K. Banking Act 2009.]

32. [Capacity of Dealer. The parties acknowledge and agree that Dealer is not a U.S. registered broker-dealer, and that its participation in the Agreement and any Transaction is pursuant and subject to Rule 15a-6. The parties acknowledge and agree that Dealer’s U.S. registered broker-dealer affiliate, [to be provided by Dealer] (its “**U.S. Affiliate**”), will act as Dealer’s chaperone for purposes of the activities contemplated in the Agreement, and that any reference to any obligation of Dealer in the Agreement, shall, to the extent that such obligations are required to be carried out by a registered broker or dealer under Rule 15a-6, be deemed to be a requirement that Dealer procure that U.S. Affiliate perform such obligations. Such obligations include but are not limited to effecting transactions, issuing confirmations, maintaining books and records, participating in oral communications, and obtaining certain representations and consents.]

33. [[To be Provided by Dealer] as Agent. Dealer has appointed as its agent its indirect wholly-owned subsidiary, the Agent, for purposes of conducting on the Dealer's behalf, a business in privately negotiated transactions in options and other derivatives. You hereby are advised that Dealer, the principal and stated counterparty in such transactions, has duly authorized the Agent to market, structure, negotiate, document, price, execute and hedge transactions in over-the-counter derivative products. The Agent has full, complete and unconditional authority to undertake such activities on behalf of Dealer. The Agent acts solely as agent and has no obligation, by way of issuance, endorsement, guarantee or otherwise, with respect to the performance of either party under this Master Confirmation or any Supplemental Confirmation. None of the Transactions is insured or guaranteed by the Agent.] .

34. [The parties agree and acknowledge that (i) [to be provided by Dealer] (the "**Agent**"), an affiliate of Dealer, has acted solely as agent and not as principal with respect to each Transaction hereunder and (ii) the Agent has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of any Transaction hereunder (including, if applicable, in respect of the settlement thereof). Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under each Transaction hereunder.]

35. [U.S. Stay Regulations.] To the extent that the QFC Stay Rules are applicable hereto, then the parties acknowledge that (i) both parties have adhered to the 2018 ISDA U.S. Resolution Stay Protocol (the "**Protocol**"), and agree that the terms of the Protocol are incorporated into and form a part of this Master Confirmation, and for such purposes this Master Confirmation shall be deemed a Protocol Covered Agreement and each party shall be deemed to have the same status as "Regulated Entity" and/or "Adhering Party" as applicable to it under the Protocol. In the event of any inconsistencies between this Master Confirmation and the terms of the Protocol, the Bilateral Agreement or the Bilateral Terms (the "**QFC Stay Terms**"), the QFC Stay Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules. For purposes of this paragraph, references to "this Master Confirmation" include any related credit enhancements entered into between the parties or provided by one to the other. In addition, the parties agree that the terms of this paragraph shall be incorporated into any related covered affiliate credit enhancements, with all references to Dealer replaced by references to the covered affiliate support provider.

"**QFC Stay Rules**" mean the regulations codified at 12 C.F.R. 252.2, 252.81-8, 12 C.F.R. 382.1-7 and 12 C.F.R. 47.1-8, which, subject to limited exceptions, require an express recognition of the stay-and-transfer powers of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and the Orderly Liquidation Authority under Title II of the Dodd Frank Wall Street Reform and Consumer Protection Act and the override of default rights related directly or indirectly to the entry of an affiliate into certain insolvency proceedings and any restrictions on the transfer of any covered affiliate credit enhancements.

Counterparty hereby agrees (a) to check this Master Confirmation carefully and promptly upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty hereunder, by signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and promptly returning an executed copy to us.

Yours faithfully,

[DEALER][, By its Agent]

By: _____
Name:
Title:

Agreed and accepted by:

NISOURCE INC.

By: _____
Name:
Title:

ANNEX A

PRIVATE PLACEMENT PROCEDURES

If Counterparty delivers Unregistered Settlement Shares pursuant to Section 12 above (a “**Private Placement Settlement**”), then:

(a) all Unregistered Settlement Shares shall be delivered to Dealer (or any affiliate of Dealer designated by Dealer) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof;

(b) as of or prior to the date of delivery, Dealer and any potential purchaser of any such shares from Dealer (or any affiliate of Dealer designated by Dealer) identified by Dealer shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities of similar size by issuers of comparable size to Counterparty and in the same industry as Counterparty (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them); *provided* that prior to receiving or being granted access to any such information, Dealer, such affiliate of Dealer or such potential purchaser, as the case may be, may be required by Counterparty to enter into a customary nondisclosure agreement with Counterparty in respect of any such due diligence investigation;

(c) as of the date of delivery, Counterparty shall enter into an agreement (a “**Private Placement Agreement**”) with Dealer (or any affiliate of Dealer designated by Dealer) in connection with the private placement of such shares by Counterparty to Dealer (or any such affiliate) and the private resale of such shares by Dealer (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities of similar size by issuers of comparable size to Counterparty and in the same industry as Counterparty, in form and substance commercially reasonably satisfactory to Dealer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Dealer and its affiliates and obligations to use best efforts to obtain customary opinions, accountants’ comfort letters and lawyers’ negative assurance letters, and shall provide for the payment by Counterparty of all commercially reasonable and documented fees and expenses in connection with such resale, including all commercially reasonable and documented fees and expenses of outside counsel for Dealer, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to Dealer (or any such affiliate) and the private resale of such shares by Dealer (or any such affiliate), Counterparty shall, if so requested by Dealer, prepare, in cooperation with Dealer, a private placement memorandum in form and substance reasonably satisfactory to Dealer.

In the case of a Private Placement Settlement, Dealer shall, in its good faith discretion, adjust the amount of Unregistered Settlement Shares to be delivered to Dealer hereunder in a commercially reasonable manner to reflect the fact that such Unregistered Settlement Shares may not be freely returned to securities lenders by Dealer and may only be saleable by Dealer at a discount to reflect the lack of liquidity in Unregistered Settlement Shares.

If Counterparty delivers any Unregistered Settlement Shares in respect of a Transaction, Counterparty agrees that (i) such Shares may be transferred by and among Dealer and its affiliates and (ii) after the minimum “holding period” within the meaning of Rule 144(d) under the Securities Act has elapsed after the applicable Settlement Date, Counterparty shall promptly remove, or cause the transfer agent for the Shares to remove, any legends referring to any transfer restrictions from such Shares upon delivery by Dealer (or such affiliate of Dealer) to Counterparty or such transfer agent of seller’s and broker’s representation letters customarily delivered by Dealer or its affiliates in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, each without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer).

Annex A-2

EXHIBIT A

SUPPLEMENTAL CONFIRMATION

To: NiSource Inc.
From: [Dealer]
Re: Issuer Share Forward Sale Transaction
Ref. No: []
Date: [], 20[]

Ladies and Gentlemen:

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between [] (“**Dealer**”) and NiSource Inc. (“**Counterparty**”) (together, the “**Contracting Parties**”) as of the date hereof. This Supplemental Confirmation is a binding contract between Dealer and Counterparty as of the date hereof.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation, dated as of February 22, 2024 (the “**Master Confirmation**”), between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	As specified by Dealer in a pricing report to be furnished by Dealer to Counterparty promptly after the end of the Forward Hedge Selling Period (the “ Pricing Report ”)
Effective Date:	As specified by Dealer in the Pricing Report
Maturity Date:	As specified by Dealer in the Pricing Report, being the same day of the [] month after [the Trade Date]
Forward Hedge Selling Period:	As specified by Dealer in the Pricing Report
Number of Shares:	As specified by Dealer in the Pricing Report
Initial Forward Price:	As specified by Dealer in the Pricing Report
Forward Hedge Selling Commission Rate:	[]% [not more than 1%]
Spread:	[]%
Volume-Weighted Hedge Price:	As specified by Dealer in the Pricing Report
Threshold Price:	As specified by Dealer in the Pricing Report
Initial Stock Loan Rate:	[] basis points per annum
Maximum Stock Loan Rate:	[] basis points per annum
Forward Price Reduction Dates	As specified in Schedule I hereto
Forward Price Reduction Amounts	As specified in Schedule I hereto
Office of Dealer:	[]

Exhibit A-1

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and promptly upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty hereunder, by signing this Supplemental Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and promptly returning an executed copy to us.

Yours faithfully,

[DEALER][, By its Agent]

By: _____
Name:
Title:

Exhibit A-2

Agreed and accepted by:

NISOURCE INC.

By: _____
Name:
Title:

Exhibit A-3

Schedule I

FORWARD PRICE REDUCTION AMOUNTS

Forward Price Reduction Date:	Forward Price Reduction Amount:	
[], 20[]	USD	[]
[], 20[]	USD	[]
[], 20[]	USD	[]
[], 20[]	USD	[]

REGULAR DIVIDEND AMOUNTS

For any calendar quarter ending on or prior to [December 31, 20[]]:	USD	[]
For any calendar quarter ending after [December 31, 20[]]:	USD	[]

Schedule I-1

EXHIBIT B

PRICING REPORT

To: NiSource Inc.
From: [Dealer]
Re: Issuer Share Forward Sale Transaction
Ref. No: []
Date: [], 20[]

Ladies and Gentlemen:

This Pricing Report is furnished by [Dealer] (“**Dealer**”) to NiSource Inc. (“**Counterparty**”) (together, the “**Contracting Parties**”) in accordance with the Supplemental Confirmation dated [], 20[] (the “**Supplemental Confirmation**”) between the Contracting Parties. This Pricing Report specifies the terms required by the Supplemental Confirmation and supplements, forms part of, and is subject to the Supplemental Confirmation and the Master Confirmation, dated as of February 22, 2024 (the “**Master Confirmation**”), between the Contracting Parties, as amended and supplemented from time to time. The terms required by the Supplemental Confirmation are as follows, with such terms determined in accordance with the Master Confirmation:

Trade Date: [], 20[]
Effective Date: [], 20[]
Maturity Date: [], 20[]
Forward Hedge Selling Period: [] Trading Days
Number of Shares: []
Initial Forward Price: USD []
Volume-Weighted Hedge Price: USD []
Threshold Price: USD []

Kindly acknowledge this Pricing Report upon receipt by signing this page and immediately returning an executed copy to us.

Yours faithfully,

[DEALER]

By: _____
Name:
Title:

Acknowledged by:

NISOURCE INC.

By: _____
Name:
Title:

Exhibit B-1

Exhibit 5.1



February 22, 2024

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410

NiSource Inc.
Common Stock

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-3 (File No. 333-268084) (the “Registration Statement”), filed by NiSource Inc., a Delaware corporation (the “Company”), with the Securities and Exchange Commission (the “SEC”). Pursuant to the Registration Statement, the Company is offering from time to time shares (the “Shares”) of its Common Stock, par value \$0.01 per share (the “Common Stock”), having an aggregate gross sales prices of up to \$900,000,000, as described in the Company’s Prospectus, dated November 1, 2022 (the “Base Prospectus”) and Prospectus Supplement, dated February 22, 2024 (the “Prospectus Supplement” and, together with the Base Prospectus, the “Prospectus”). The Registration Statement became effective upon filing on November 1, 2022. This opinion letter is being furnished in accordance with the requirements of Item 16 of Form S-3 and Item 601(b)(5)(i) of Regulation S-K promulgated under the Securities Act of 1933, as amended (the “Securities Act”).

The Shares are being offered to the public in accordance with (a) eight separate Equity Distribution Agreements, each dated February 22, 2024, (i) among the Company, Barclays Capital Inc., as sales agent and forward seller, and Barclays Bank PLC, as forward purchaser, (ii) among the Company, BMO Capital Markets Corp., as sales agent and forward seller, and Bank of Montreal, as forward purchaser, (iii) among the Company, BofA Securities, Inc., as sales agent and forward seller, and Bank of America, N.A., as forward purchaser, (iv) between the Company and Goldman Sachs & Co. LLC, as sales agent, forward seller and forward purchaser, (v) among the Company, J.P. Morgan Securities LLC, as sales agent and forward seller, and JPMorgan Chase Bank, National Association, as forward purchaser, (vi) between the Company and Morgan Stanley & Co. LLC, as sales agent, forward seller and forward purchaser, (vii) among the Company, MUFG Securities Americas Inc., as sales agent and forward seller, and MUFG Securities EMEA plc, as forward purchaser, and (viii) among the Company, Wells Fargo Securities, LLC, as sales agent and forward seller, and Wells Fargo Bank, National Association, as forward purchaser (collectively, the “Equity Distribution Agreements”), and (b) eight separate Master Confirmations for Forward Sale, each dated February 22, 2024, between the Company and each of Barclays Bank PLC, Bank of Montreal, Bank of America, N.A., Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Morgan Stanley & Co. LLC, MUFG Securities EMEA plc and Wells Fargo Bank, National Association, respectively, as forward purchasers (collectively, the “Master Confirmations” and together with the Equity Distribution Agreements, the “Agreements”).

Documents Reviewed

In connection with this opinion letter, we have examined the following documents:

- (a) the Registration Statement;
- (b) the Base Prospectus;
- (c) the Prospectus Supplement;
- (d) the Equity Distribution Agreements; and
- (e) the Master Confirmations.

In addition we have examined and relied upon the following:

(i) a certificate from the Assistant Corporate Secretary of the Company certifying as to (A) true and correct copies of the Amended and Restated Certificate of Incorporation, as amended, and the Amended and Restated Bylaws of the Company, as amended (together, the “Organizational Documents”) and (B) the resolutions of the Board of Directors of the Company authorizing (1) the filing of the Registration Statement by the Company and (2) the offer, sale and issuance of the Shares by the Company pursuant to the Agreements (the “Authorizing Resolutions”); and

(ii) originals, or copies identified to our satisfaction as being true copies, of such other records, documents, instruments, certificates of officers of and statements of the Company, and certificates and assurances of public officials, as we have deemed necessary for the purposes of this opinion letter.

“Applicable Law” means the Delaware General Corporation Law (the “DGCL”).

Assumptions Underlying Our Opinions

For all purposes of the opinions expressed herein, we have assumed, without independent investigation, the following:

(a) Factual Matters. To the extent that we have reviewed and relied upon (i) certificates of the Company or authorized representatives thereof, (ii) representations of the Company set forth in the Agreements and (iii) certificates and assurances from public officials, all of such certificates, representations and assurances are accurate with regard to factual matters and all official records (including filings with public authorities) are properly indexed and filed and are accurate and complete.

(b) Authentic and Conforming Documents. All documents submitted to us as originals are authentic, complete and accurate, and all documents submitted to us as copies conform to authentic original documents.

(c) Signatures; Legal Capacity. The signatures of individuals who have signed or will sign the Agreements are genuine. All individuals who have signed or will sign the Agreements have the legal capacity to execute such Agreements.

(d) Certain Other Assumptions. For the purposes of this opinion letter, we have assumed that, at the time of the issuance, sale and delivery of Shares pursuant to the Agreements: (i) the authorization thereof by the Company will not have been modified or rescinded, and there will not have occurred any change in law affecting the validity thereof; (ii) the Organizational Documents will not have been modified or amended and will be in full force and effect; and (iii) upon issuance of the Shares, the number of such Shares will not exceed the number of authorized and unissued of Common Stock of the Company that have not been reserved for issuance for other purposes.

Our Opinion

Based on and subject to the foregoing and the qualifications, limitations and other assumptions set forth in this opinion letter, we are of the opinion that the issuance and sale of the Shares covered by the Registration Statement pursuant to the Agreements have been duly authorized by the Company and, when (A) the number of Shares to be offered, issued and sold by the Company from time to time and the respective pricing terms, times and dates of offering, issuance and sale have been duly authorized and approved by one or more duly authorized officers of the Company, all as provided in, and in compliance with the parameters, limitations and other terms set forth in the Authorizing Resolutions and (B) certificates in the form required under the laws of the State of Delaware representing the Shares are duly executed, countersigned, registered and delivered against payment of the agreed consideration therefor in an amount not less than the aggregate par value thereof, if such Shares are certificated, or book-entry notations in the form required under the laws of the State of Delaware have been made in the share register of the Company to reflect the issuance of such Shares to the purchasers thereof against payment of the agreed consideration therefor in an amount not less than the aggregate par value thereof, if such Shares are not represented by certificates, in each case in accordance with the applicable Agreements, such Shares will be validly issued, fully paid and non-assessable.

Qualifications

The opinion set forth above is subject to the following qualifications and limitations:

(a) Applicable Law. Our opinion is limited to the Applicable Law, and we do not express any opinion concerning any other law.

Miscellaneous

The foregoing opinions are being furnished only for the purpose referred to in the first paragraph of this opinion letter. Our opinions are based on statutes, regulations and administrative and judicial interpretations which are subject to change. We undertake no responsibility to update or supplement these opinions subsequent to the date hereof. Headings in this opinion letter are intended for convenience of reference only and shall not affect its interpretation. We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement on or about the

date hereof, to the incorporation by reference of this opinion of counsel into the Registration Statement and to the reference to our firm in the Prospectus Supplement under the caption "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ McGuireWoods LLP

McGuireWoods LLP

Exhibit 99.1



FOR IMMEDIATE RELEASE:

February 22, 2024

***NiSource Announces Two-Year \$900 Million At-The-Market (ATM)
Equity Issuance Program***

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) (“NiSource”) announced today that it has established an “at-the-market” (“ATM”) equity offering program under which it may sell shares of its common stock having an aggregate gross sales price of up to \$900 million through December 31, 2025.

NiSource has entered into separate equity distribution agreements with each of Barclays Capital Inc., BMO Capital Markets Corp., BofA Securities, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc. and Wells Fargo Securities, LLC in their respective capacities as sales agents and as forward sellers (collectively, the “Agents”). Pursuant to these agreements, sales of shares of NiSource’s common stock may be offered and sold by any method or payment permitted by law to be an “at the market offering” as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), including by means of ordinary brokers’ transactions on the New York Stock Exchange, the existing trading market for shares of NiSource’s common stock, or otherwise at market prices prevailing at the time of sale, or sales made to or through a market maker or through an electronic communications network.

In addition to the issuance and sale of shares of its common stock through the Agents, NiSource may also enter into forward sale agreements under a separate master forward sale confirmation and related supplemental confirmation with the Agents or certain of their respective affiliates, each in their capacity as forward purchasers (collectively, the “Forward Purchasers”). In connection with each forward sale agreement, the relevant Forward Purchaser (or its affiliate) will, at NiSource’s request, attempt to borrow from third parties and, through the relevant Agent, sell a number of shares of NiSource’s common stock equal to the number of shares that underlie the forward sale agreement to hedge such forward sale agreement.

NiSource intends to use the proceeds from the sales, if any, of the shares of its common stock for general corporate purposes, including to finance capital expenditures, for working capital and to repay existing indebtedness.

A registration statement relating to these securities is effective under the Securities Act. The offering is being made by means of a prospectus supplement to the prospectus contained in the registration statement. Before making an investment in these securities, potential investors should read the prospectus supplement and the accompanying prospectus for more complete information about NiSource and the offering. Potential investors may obtain these documents for free by visiting EDGAR on the Securities and Exchange Commission's ("SEC") website at www.sec.gov. Alternatively, potential investors may contact any Agent participating in the offering, who will arrange to send them these documents: Barclays Capital Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, barclaysprospectus@broadridge.com, (888) 603-5847; BMO Capital Markets Corp., Attn: Equity Syndicate Department, 151 W 42nd Street, 32nd Floor, New York, NY 10036, email: bmoprospectus@bmo.com; BofA Securities, NC1-022-02-25, 201 North Tryon Street, Charlotte, NC 28255-0001, Attn: Prospectus Department, Email: dg.prospectus_requests@bofa.com; Goldman Sachs & Co. LLC, Prospectus Department, 200 West Street, New York, NY 10282, telephone: 1-866-471-2526, facsimile: 212-902-9316 or by emailing Prospectus-ny@ny.email.gs.com; J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, Telephone: (866) 803-9204; Morgan Stanley at Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, NY 10014; MUFG Securities Americas Inc., 1221 Avenue of the Americas, 6th Floor, New York, New York 10020-1001; Wells Fargo Securities, 90 South 7th Street, 5th Floor, Minneapolis, MN 55402, at 800-645-3751 (option #5) or email a request to WFScustomerservice@wellsfargo.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,400 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability—North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission ("SEC").

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FOR ADDITIONAL INFORMATION

Media Lynne Evosevich Corporate Media Relations (724) 288-1611 levosevich@nisource.com	Investors Christopher Turnure Investor Relations (614) 404-9426 cturnure@nisource.com	Michael Weisenburger Investor Relations (614) 202-2595 mweisenburger@nisource.com
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Forward-Looking Statements

This press release contains “forward-looking statements,” within the meaning of Section 27A of the Securities, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements in this press release include, but are not limited to, the anticipated use of proceeds and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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 press release 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 in our Annual Report on Form 10-K for the year ended December 31, 2023); 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” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and our subsequent SEC filings, some of which risks are beyond our control.

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.

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 14, 2024

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

DE (State or other jurisdiction of incorporation)	001-16189 (Commission file number)	35-2108964 (I.R.S. Employer Identification No.)
801 East 86th Avenue Merrillville, Indiana (Address of Principal Executive Offices)		46410 (Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share Series A Corporate Units	NI PR B	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 8.01 Other Events.

Senior Notes Due 2034

On March 11, 2024, NiSource Inc. (the “Company”) and J.P. Morgan Securities LLC, Mizuho Securities USA LLC, PNC Capital Markets LLC and U.S. Bancorp Investments, Inc., as representatives of the underwriters, entered into a Terms Agreement (the “Terms Agreement”) with respect to the offering and sale of \$650,000,000 aggregate principal amount of the Company’s 5.350% Notes due 2034 (the “Notes”) under the Company’s Registration Statement on Form S-3 (File No. 333-268084) (the “Registration Statement”). The Terms Agreement incorporates by reference the provisions of the Company’s Underwriting Agreement, dated November 30, 2017 (a form of which was filed with the Securities and Exchange Commission (“SEC”) on November 30, 2017).

The sale closed on March 14, 2024. The Notes were issued pursuant to an Indenture, dated as of November 14, 2000, between the Company, as issuer and successor-in-interest to NiSource Finance Corp., and The Bank of New York Mellon, as successor trustee, as amended and supplemented. The Company intends to use the aggregate net proceeds from the sale of the Notes for general corporate purposes, including to finance capital expenditures, for working capital and to repay existing indebtedness.

A copy of the form of the Notes is filed as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated herein by reference. The Company is filing Exhibit 5.1 with this Current Report on Form 8-K in connection with the Registration Statement.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
4.1	Form of 5.350% Notes due 2034
5.1	Opinion of McGuireWoods LLP
23.1	Consent of McGuireWoods LLP (included in Exhibit 5.1)
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

Cautionary Statement Concerning Forward-Looking Statements

This current report on Form 8-K contains forward-looking statements that are not historical facts, including statements about the anticipated use of proceeds from the sale of the Notes. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, and its subsequent filings with the SEC, which are available on the Company’s website at www.nisource.com and on the SEC’s website at www.sec.gov. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events or otherwise, except to the extent required by law.

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: March 14, 2024

By: /s/ Shawn Anderson

Shawn Anderson
Executive Vice President and Chief Financial Officer

Exhibit 4.1

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO NISOURCE INC. OR ITS AGENT OR AGENTS FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

No.: [__]

\$[__]

CUSIP No.: 65473PAQ8
ISIN No.: US65473PAQ81

5.350% Notes due 2034

NiSource Inc., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of [__] Dollars on April 1, 2034.

Interest Payment Dates: April 1 and October 1, beginning October 1, 2024.

Record Dates: (i) if all of the Notes are in book-entry form represented by one or more Global Securities, the Business Day immediately preceding the applicable Interest Payment Date and (ii) if any of the Notes are not in bookentry form represented by one or more Global Securities, on each March 15 and September 15 (whether or not a Business Day) (each such date in clauses (i) and (ii), a “Regular Record Date”).

Additional provisions of this Note are set forth on the other side of this Note.

Dated:

NISOURCE INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series referred to
In the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON, as
Trustee

By: _____
Authorized Officer

5.350% Notes due 2034

1. Interest

NiSource Inc., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the “Company”), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Company will pay interest semiannually on April 1 and October 1 of each year, beginning October 1, 2024. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from March 14, 2024. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company will pay interest on overdue principal and premium at the above rate and will pay interest on overdue installments of interest at such rate to the extent lawful.

2. Method of Payment

The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the Regular Record Date next preceding each Interest Payment Date even if Notes are canceled after the Regular Record Date and on or before the Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC, as Depository.

3. Paying Agent and Security Registrar

Initially, the Trustee will act as Paying Agent and Security Registrar. The Company may appoint and change any Paying Agent or Security Registrar without notice to the Holders. The Company may act as Paying Agent or Security Registrar.

4. Indenture

The Company issued the Notes under an Indenture dated as of November 14, 2000, by and between the Company, in its own capacity and as successor to NiSource Finance Corp., and the Trustee (as successor trustee) (as amended and supplemented, the “Indenture”) and pursuant to an Officers’ Certificate of the Company dated March 14, 2024 (the “Officers’ Certificate”). The terms of the Notes include those stated in the Indenture and the Officers’ Certificate and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. sections 77aaa-77bbbb) as in effect on the date of the Officers’ Certificate (the “Act”). Capitalized terms used herein and defined in the Indenture but not defined herein have the respective meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders of Notes are referred to the Indenture and the Act for a statement of those terms.

The Notes are senior unsecured obligations of the Company. The Notes issued on the original issue date will be treated as a single class for all purposes under the Indenture. The Indenture contains covenants that limit the ability of the Company and its Subsidiaries (other than Utilities) to incur additional indebtedness and create liens on assets unless the total amount of all the secured debt would not exceed 10% of Consolidated Net Tangible Assets (excluding the Utilities). These covenants are subject to important exceptions and qualifications.

5. Optional Redemption

Prior to January 1, 2034 (three months prior to the maturity date of the Notes) (the “Par Call Date”), the Company will have the right to redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points less (b) interest accrued to the Redemption Date, and (2) 100% of the principal amount of the Notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to, but excluding, the Redemption Date.

On or after the Par Call Date, the Company will have the right to redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States

Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Trustee shall have no duty to calculate the Redemption Price.

6. Notice of Redemption

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depository's procedures) at least 10 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed in accordance with Section 106 of the Indenture. In the case of a partial redemption, selection of the Notes for redemption will be made pro rata, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. No Notes of a principal amount of \$2,000 or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of the original Note upon surrender for cancellation of the original Note. For so long as the Notes are held by DTC (or another depository), the redemption of the Notes shall be done in accordance with the policies and procedures of the depository. The Company will not know the exact Redemption Price until approximately two (2) to three (3) Business Days before the Redemption Date. Therefore, the notice of redemption will only describe how the Redemption Price will be calculated. Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date interest will cease to accrue on the Notes or portions thereof called for redemption.

7. Additional Notes

The Company may, without the consent of the Holders of the Notes, create and issue additional Notes ranking equally with the Notes in all respects, including having the same terms (except for the price to public, the issue date and the initial interest accrual date and the first Interest Payment Date, as applicable), so that such additional Notes shall be consolidated and form a single series with the Notes and shall have the same terms as to status, redemption or otherwise as the Notes. Such additional Notes will have the same CUSIP number as the Notes being authenticated on the date hereof, provided that such additional Notes are part of the same issue as the Notes being authenticated on the date hereof for U.S. federal income tax purposes. If such additional Notes are not part of the same issue for U.S. federal income tax purposes, such additional Notes must be issued with a separate CUSIP number. No additional Notes may be issued if an Event of Default has occurred and is continuing with respect to the Notes.

8. Denominations; Transfer; Exchange

The Notes are in registered form without coupons in denominations of \$2,000 principal amount and integral multiples of \$1,000. A Holder may transfer or exchange Notes in accordance with the Indenture. The Security Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Security Registrar need not register the transfer or exchange of any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) for a period of fifteen (15) Business Days before a selection of Notes to be redeemed.

9. Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of it for all purposes.

10. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee or the Paying Agent for payment.

11. Satisfaction and Discharge

Under the Indenture, the Company can terminate its obligations with respect to the Notes not previously delivered to the Trustee for cancellation when those Notes have become due and payable or will become due and payable at their Stated Maturity within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for giving notice of redemption. The Company may terminate its obligations with respect to the Notes by depositing with the Trustee, as funds in trust dedicated solely for that purpose, an amount sufficient to pay and discharge the entire indebtedness on the Notes. In that case, the Indenture will cease to be of further effect and the Company's obligations will be satisfied and discharged with respect to the Notes (except as to the Company's obligations to pay all other amounts due under the Indenture and to provide certain Officers' Certificates and Opinions of Counsel to the Trustee). At the expense of the Company, the Trustee will execute proper instruments acknowledging the satisfaction and discharge.

12. Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture may be amended with the written consent of the Holders of a majority in principal amount of the then Outstanding Securities of each series affected by such amendment, (ii) the Notes may be amended with the written consent of the Holders of at least a majority in principal amount of the Outstanding Notes and (iii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount of the Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company and the Trustee shall be entitled to amend the Indenture to, among other things, cure any ambiguity, defect or inconsistency, or to evidence the succession of another Person as obligor under the Indenture, or to add to the Company's covenants or to surrender any right or power conferred on the Company under the Indenture, or to add events of default, or to secure the Notes, or to evidence or provide for the acceptance or appointment by a successor Trustee or facilitate the administration of the trusts under the Indenture by more than one trustee, or to conform the Indenture to any amendment of the Act.

13. Defaults and Remedies

Under the Indenture, Events of Default include: (i) a default by the Company in the payment of any interest upon any Note and the continuance of such default for 60 days; (ii) a default by the Company in the payment of principal of or any premium on any Note when due at Maturity, on redemption, by declaration or otherwise, and the continuance of such default for three (3) Business Days; (iii) a default by the Company in the performance of or breach of any covenant or warranty in the Indenture and continuance of such default for 90 days after written notice has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 33% in principal amount of the Outstanding Notes; (iv) a default by the Company under any bond, debenture, note or other evidence of indebtedness for money

borrowed by the Company, or the Company defaults under any mortgage, indenture or instrument under which there may be issued, secured or evidenced indebtedness constituting a failure to pay in excess of \$50,000,000 of the principal or interest when due and payable, subject to certain cure rights; or (v) certain events of bankruptcy, insolvency or reorganization involving the Company. If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 33% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives indemnity or security satisfactory to it. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal or interest) if it determines that withholding notice is in the interest of the Holders.

14. Trustee Dealings with the Company

Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

15. No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Company or the Trustee shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

16. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an Authenticating Agent) signs the certificate of authentication on the other side of this Note in accordance with requirements set forth in the Indenture and the Officers' Certificate.

17. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

18. CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused the applicable CUSIP number to be printed on the Notes and has directed the Trustee to use such CUSIP number in any notice of redemption as a convenience to the Holders. To the extent such number has been issued, the Company has caused the applicable ISIN number to be similarly printed on the Notes and has similarly instructed the Trustee. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

19. Governing Law.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONTRARY CONFLICT OF LAWS OR CHOICE OF LAWS PROVISIONS OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture.
Requests may be made to:

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Corporate Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below: I or
we assign and transfer this Note to

(Print or type assignee's name, address and zip
code) (Insert assignee's soc. Sec. or tax I.D. No.)

and irrevocably appoint _____ agent to transfer this Note on the books of the Company. The agent may
substitute another to act for him.

Date: _____

Signature: _____ Your

Sign exactly as your name appears on the other side
of this Note.

Signature Guarantee:

Signature must be guaranteed

Signature

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Exhibit 5.1



March 14, 2024

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410

NiSource Inc.
5.350% Notes due 2034

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-3 (File No. 333-268084) (the “Registration Statement”), filed by NiSource Inc., a Delaware corporation (the “Company”), with the Securities and Exchange Commission (the “SEC”). Pursuant to the Registration Statement, the Company is offering \$650,000,000 aggregate principal amount of its 5.350% Notes due 2034 (the “Notes”), as described in the Company’s Prospectus, dated November 1, 2022 (the “Base Prospectus”) and Prospectus Supplement, dated March 11, 2024 (the “Prospectus Supplement” and, together with the Base Prospectus, the “Prospectus”). The Registration Statement became effective upon filing on November 1, 2022. This opinion letter is being furnished in accordance with the requirements of Item 16 of Form S-3 and Item 601(b)(5)(i) of Regulation S-K promulgated under the Securities Act of 1933, as amended (the “Securities Act”).

The Notes are being issued under that certain indenture dated as of November 14, 2000 (the “Original Indenture”), between the Company (as successor to NiSource Finance Corp.) and The Bank of New York Mellon, as successor trustee (the “Trustee”), as supplemented by the Second Supplemental Indenture dated as of November 20, 2017 (the “Supplemental Indenture” and, together with the Original Indenture, the “Indenture”), and are being offered to the public in accordance with the Terms Agreement, dated March 11, 2024 (the “Terms Agreement”), among the Company and J.P. Morgan Securities LLC, Mizuho Securities USA LLC, PNC Capital Markets LLC and U.S. Bancorp Investments, Inc., as lead underwriters of the underwriters (the “Underwriters”) named therein. The Terms Agreement incorporates by reference the provisions of that certain Underwriting Agreement dated November 30, 2017 (the “Underwriting Agreement” and, together with the Terms Agreement, the “Agreements”). Capitalized terms used and not defined herein shall have the meanings assigned to them in the Registration Statement or the Indenture.

Documents Reviewed

In connection with this opinion letter, we have examined the following documents:

- (a) the Registration Statement;

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- (b) the Base Prospectus;
 - (c) the Prospectus Supplement;
 - (d) the Original Indenture;
 - (e) the Supplemental Indenture;
 - (f) the global note certificates, dated March 14, 2024 (the “Global Notes”), representing the Notes;
 - (g) the Terms Agreement; and
 - (h) the Underwriting Agreement.

The documents referred to in clauses (d) through (f) above are referred to collectively as the “Subject Documents” and each, individually, as a “Subject Document.”

In addition we have examined and relied upon the following:

(i) a certificate from the Assistant Corporate Secretary of the Company certifying as to (A) true and correct copies of the Amended and Restated Certificate of Incorporation, as amended, and the Amended and Restated Bylaws of the Company, as amended (together, the “Organizational Documents”) and (B) the resolutions of the Board of Directors of the Company authorizing (1) the filing of the Registration Statement by the Company and (2) the offer, sale and issuance of the Notes by the Company pursuant to the Agreements (the “Authorizing Resolutions”); and

(ii) originals, or copies identified to our satisfaction as being true copies, of such other records, documents, instruments, certificates of officers of and statements of the Company, and certificates and assurances of public officials, as we have deemed necessary for the purposes of this opinion letter.

“Applicable Law” means the Delaware General Corporation Law (the “DGCL”) and the laws of the State of New York.

Assumptions Underlying Our Opinions

For all purposes of the opinions expressed herein, we have assumed, without independent investigation, the following:

(a) Factual Matters. To the extent that we have reviewed and relied upon (i) certificates of the Company or authorized representatives thereof, (ii) representations of the Company set forth in the Subject Documents and (iii) certificates and assurances from public officials, all of such certificates, representations and assurances are accurate with regard to factual matters and all official records (including filings with public authorities) are properly indexed and filed and are accurate and complete.

(b) Authentic and Conforming Documents. All documents submitted to us as originals are authentic, complete and accurate, and all documents submitted to us as copies conform to authentic original documents.

(c) Signatures; Legal Capacity. The signatures of individuals who have signed or will sign the Subject Documents are genuine. All individuals who have signed or will sign the Subject Documents have the legal capacity to execute such Subject Documents.

(d) Organizational Status, Power and Authority of Certain Parties. All parties to the Subject Documents (other than any individual) (i) are validly existing and in good standing in their respective jurisdictions of formation, except that no such assumption is made as to the Company as of the date hereof and (ii) have the power and authority to execute, deliver and perform the Subject Documents and the documents required or permitted to be delivered and performed thereunder, except that no such assumption is made as to the Company as of the date hereof.

(e) Authorization, Execution and Delivery of Subject Documents by Certain Parties. The Subject Documents and the documents required or permitted to be delivered thereunder have been duly authorized by all necessary corporate, limited liability company, business trust, partnership or other action on the part of the parties thereto and have been duly executed and delivered by such parties, except that no such assumptions are made as to the Company as of the date hereof.

(f) Subject Documents Binding on Certain Parties. The Subject Documents and the documents required or permitted to be delivered thereunder are valid and binding obligations enforceable against the parties thereto in accordance with their terms, except that no such assumption is made as to the Company as of the date hereof.

(g) Noncontravention. Neither the issuance of the Notes by the Company or the execution and delivery of the Subject Documents by any party thereto nor the performance by such party of its obligations thereunder will conflict with or result in a breach of (i) the certificate or articles of incorporation, bylaws, certificate or articles of organization, operating agreement, certificate of limited partnership, partnership agreement, trust agreement or other similar organizational documents of any such party, except that no such assumption is made as to the Company as to the Organizational Documents as of the date hereof, (ii) any law or regulation of any jurisdiction applicable to any such party except that no such assumption is made as to the Company as to any Applicable Law as of the date hereof, or (iii) any order, writ, injunction or decree of any court or governmental instrumentality or agency applicable to any such party or any agreement or instrument to which any such party may be a party or by which its properties are subject or bound, except that no such assumption is made as to the Company as to the Subject Documents as of the date hereof.

(h) Governmental Approvals. All consents, approvals and authorizations of, or filings with, all governmental authorities that are required as a condition to the issuance of the Notes by the Company or to the execution and delivery of the Subject Documents by the parties thereto or the performance by such parties of their obligations thereunder have been obtained or made, except that no such assumption is made with respect to any consent, approval, authorization or filing that is applicable to the Company as of the date hereof.

(i) No Mutual Mistake, Amendments, etc. There has not been any mutual mistake of fact, fraud, duress or undue influence in connection with the issuance of the Notes as contemplated by the Registration Statement and the Prospectus. There are no oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms of the Subject Documents except for, in the case of the terms of the Indenture, the officers' certificate establishing the terms of the Notes.

Our Opinions

1. Organizational Status. The Company is a validly existing corporation under the laws of the Delaware and is in good standing under such laws.
2. Power and Authority. The Company has the corporate power and authority to issue the Notes.
3. Validity of the Notes. When (i) the Notes have been issued and sold as contemplated by the Registration Statement, the Agreements and the Prospectus, (ii) the Company has received the consideration provided for in the Prospectus Supplement and the Agreements, and (iii) the Notes have been authenticated in accordance with the provisions of the Indenture, the Notes will constitute the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, under the laws of State of New York.

Matters Excluded from Our Opinions

We express no opinion with respect to the following matters:

- (a) Indemnification and Change of Control. The enforceability of any agreement relating to (i) indemnification, contribution or exculpation from costs, expenses or other liabilities or (ii) changes in the organizational control or ownership of any party, which agreement (in the case of clause (i) or clause (ii)) is contrary to public policy or Applicable Law.
- (b) Jurisdiction, Venue, etc. The enforceability of any agreement to submit to the jurisdiction of any specific federal or state court (other than the enforceability in a court of the State of New York of any such agreement to submit to the jurisdiction of a court of the State of New York), to waive any objection to the laying of the venue, to waive the defense of *forum non conveniens* in any action or proceeding referred to therein, to waive trial by jury, to effect service of process in any particular manner or to establish evidentiary standards, and any agreement regarding the choice of law governing any Subject Document (other than the enforceability in a court of the State of New York or in a federal court sitting in the State of New York and applying New York law to any such agreement that the laws of the State of New York shall govern).
- (c) Remedies. The enforceability of any provision in any Subject Document to the effect that rights or remedies are not exclusive, that every right or remedy is cumulative and may be exercised in addition to any other right or remedy, that the election of some particular remedy does not preclude recourse to one or more others or that failure to exercise or delay in exercising rights or remedies will not operate as a waiver of any such right or remedy.

Qualifications and Limitations Applicable to Our Opinions

The opinions set forth above are subject to the following qualifications and limitations:

- (a) **Applicable Law.** Our opinions are limited to the Applicable Law, and we do not express any opinion concerning any other law.
- (b) **Bankruptcy.** Our opinions are subject to the effect of any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences, fraudulent transfers and equitable subordination), reorganization, moratorium and other similar laws affecting creditors' rights generally.
- (c) **Equitable Principles.** Our opinions are subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing. In applying such principles, a court, among other things, might limit the availability of specific equitable remedies (such as injunctive relief and the remedy of specific performance), might not allow a creditor to accelerate maturity of debt or exercise other remedies upon the occurrence of a default deemed immaterial or for non-credit reasons or might decline to order a debtor to perform covenants in a Subject Document.
- (d) **Unenforceability of Certain Provisions.** Provisions contained in the Notes or the Subject Documents which require waivers or amendments to be made only in writing may be unenforceable or ineffective, in whole or in part. The inclusion of such provisions, however, does not render any of the Notes or the Subject Documents invalid as a whole.
- (e) **Choice of New York Law and Forum.** To the extent that any of our opinions relate to the enforceability of the choice of New York law or any choice of New York forum provisions of any Subject Document, our opinion is rendered in reliance upon N.Y. Gen. Oblig. Law §§ 5-1401 and 5-1402 and N.Y. CPLR 327(b) and is subject to the qualification that such enforceability may be limited by principles of public policy, comity and constitutionality. We express no opinion as to whether a United States federal court would have subject-matter or personal jurisdiction over a controversy arising under the Subject Documents.

Miscellaneous

The foregoing opinions are being furnished only for the purpose referred to in the first paragraph of this opinion letter. Our opinions are based on statutes, regulations and administrative and judicial interpretations which are subject to change. We undertake no responsibility to update or supplement these opinions subsequent to the date hereof. Headings in this opinion letter are intended for convenience of reference only and shall not affect its interpretation. We hereby consent to the filing of this opinion as an exhibit to the Company's Current Report on Form 8-K filed on the date hereof, to the incorporation by reference of this opinion of counsel into the Registration Statement, and to the reference to our firm in the Prospectus Supplement under the caption "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ McGuireWoods LLP

McGuireWoods LLP

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

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 15, 2024

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously reported on February 19, 2024, Donald Brown informed NiSource Inc. (the “Company”) that he will depart the Company as Executive Vice President and Chief Innovation Officer effective on or before May 1, 2024 (the “Separation Date”). Mr. Brown’s last day of employment is expected to be April 1, 2024.

Mr. Brown has entered into a Separation Agreement dated March 15, 2024 (the “Separation Agreement”). Mr. Brown will receive a lump sum payment equal to his annual salary plus 130% of the cost for 52-weeks of COBRA coverage, subject to his signing a release of claims in favor of the Company. These terms are consistent with the terms of the NiSource Inc. Executive Severance Policy and which are more fully described in the Company’s Proxy Statement filed with the Securities and Exchange Commission on April 12, 2023.

The foregoing is a summary of certain material terms of the Separation Agreement and is qualified in its entirety by reference to the full text of the Separation Agreement, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Separation Agreement dated March 15, 2024, between NiSource Inc. and Donald Brown
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: March 15, 2024

By:

Kimberly S. Cuccia
Senior Vice President, General Counsel and
Corporate Secretary

Exhibit 10.1

**SEPARATION AGREEMENT
AND FULL RELEASE AND WAIVER OF CLAIMS**

This Confidential Separation Agreement and Full Release and Waiver of Claims (“Agreement”) is entered into by and between Donald Brown (“Employee” or “you/your”) and NiSource Corporate Services Company (“NiSource” or “the Company”) (collectively, “the Parties”).

In consideration of the mutual promises, covenants, and agreements set forth herein, it is hereby agreed as follows:

1. Employment Status

You will continue as an active employee of the Company through April 1, 2024 (“Separation Date”) and continue to be paid your current base salary and participate in all Company employee benefit plans in which you currently participate through that date. However, you will be relieved of all general duties and responsibilities as of March 31, 2024, and you will be on vacation from March 18 through March 29, 2024. If you timely sign and do not revoke this Agreement in the 7-day revocation period, you will be eligible to receive the separation payment described in the Consideration section below. Your personnel records will reflect a voluntary resignation, effective April 1, 2024.

2. Consideration

Provided you have timely signed this Agreement and not revoked it during the 7-day revocation period, you will receive no later than 45 days after the Separation Date a gross, lump sum payment in the amount of \$688,000 (which is equal to 52 weeks of pay and includes a lump sum payment equivalent to 12 months of COBRA that may be used for the purchase of medical and dental benefits, less all applicable withholdings; provided that, if you are a specified employee for purposes of Section 409A of the Internal Revenue Code of 1986 as amended (the “IRC”) (C2 and above) and these lump sum payment are not exempt from coverage under IRC Section 409A, the lump sum payments will not be paid to you until the earlier of (1) the date that is six months after the Separation Date, or (2) the date of your death. Legally mandated deductions for social security and federal, state and local taxes will be withheld from each lump sum.

3. Other Benefits and Payments

Your eligibility to participate in any Company incentive program, equity or other benefits program or plan or agreement will be in accordance with the terms of such programs, plans and agreements.

Regardless of whether you execute this Agreement, you will: (a) receive a lump sum payment for any accrued and unused vacation pay to which you are entitled accrued through the Separation Date; and (b) be paid out vacation and floating holidays that have been banked by you (subject to the 640-hour banking maximum). Such payments will be included in your final regular paycheck as an active employee, unless you are a specified employee for purposes of Section 409A of the IRC, in which case you will receive payment six months from your Separation Date. In either case, the payment will be subject to legally-mandated deductions for Social Security and federal, state, and local taxes.

4. COBRA Coverage

The termination of your employment is a qualifying event under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The Company will notify you and/or your dependents of the insurance coverage which you may continue on a self-pay basis, as provided by COBRA, upon termination of your employment.

5. Return of Property

You agree to return to the Company any and all of its property, including but not limited to, keys, employee identification or security access cards, telephones, computing equipment, and credit cards on or before your Separation Date.

6. Confidentiality

You acknowledge that during your employment by the Company you had access to confidential information and confidential financial data of the Company or of other NiSource companies.

You further acknowledge that during your employment you may have developed confidential business information for one or more NiSource companies, may have made inventions, and/or may have established relationships with one or more NiSource companies' customers and potential customers.

In order to preserve the property, inventions, business, and goodwill of the Company and each NiSource company, you agree that during and after your employment, all knowledge and information not known to the public respecting any NiSource companies' inventions, designs, products, services, machinery, methods, systems, improvements, forecasts, strategic and other plans, financial data, and other confidential information, including customer

information such as names and addresses of customers and potential customers, pricing information relating to any services performed or products sold by any NiSource company, and all information relating to the special and particular business needs of any NiSource company or its customers and potential customers, shall remain the exclusive property of each respective NiSource company and shall be regarded by you as strictly confidential and shall not be directly or indirectly used or disclosed without the Company's written permission.

Moreover, you agree that upon termination of your employment, you will promptly deliver to the Company all confidential documentation and other materials relating to the Company's business or the business of any NiSource company which are in your possession or under your control, including customer and potential customer lists, product lists, and marketing material, whether in written or electronic data form; and you will delete, destroy or discard all copies of such confidential information remaining in your possession.

You further acknowledge and agree that the Company's remedy in the form of monetary damages for any breach by you of any of the provisions of this section may be inadequate and that, in addition to any monetary damages for such breach, the Company shall be entitled to institute and maintain any appropriate proceeding or proceedings, including an action for specific performance and/or injunction.

7. General Release of Claims by Employee to Company.

In consideration of the payments and benefits described herein, the sufficiency of which is hereby acknowledged, you, your heirs, executors and administrators, do hereby knowingly and voluntarily fully, finally and unconditionally release and forever discharge, to the full extent permitted by law, the Company and NiSource, Inc., and their parent, sister and subsidiary corporations and all their affiliates, partners, shareholders, related entities, their employee benefits plans and the plans' trustees, administrators, and fiduciaries, divisions, predecessors, successors and assigns, representatives, current and former employees, officers, directors and agents and attorneys, in their personal and corporate capacities (collectively referred throughout the remainder of this Agreement as the "the Released Parties"), of and from any and all liabilities, actions, causes of action, claims, rights, obligations, charges, damages, costs, attorneys' fees, suits, re-employment rights and demands of any and every kind, nature and character, known and unknown, asserted and unasserted, liquidated and unliquidated, absolute and contingent, in law or in equity, enforceable under any local, state, or federal statute or ordinance, or under the common laws of the United States, against the Released Parties occurring or arising prior to you signing this Agreement, including but not limited to, all claims relating to the Age Discrimination in Employment Act of 1967 ("ADEA"), as amended, and the Older Workers Benefits Protection Act

("OWBPA"), 29 U.S.C. § 621 et seq.; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 et seq. (excluding claims for vested benefits); the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 et seq.; the Fair Labor Standards Act, as amended, 29 U.S.C. § 201 et seq. (excluding claims for unpaid wages); the Civil Rights Act of 1866, 42 U.S.C. § 1981 et seq.; the Worker Adjustment Retraining Notification Act, 29 U.S.C. 2101§ et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Corporate and Criminal Fraud Accountability Act of 2002, 18 U.S.C. §1514A; the Family and Medical Leave Act 29 U.S.C. §2601 et seq; and the State of Ohio civil rights statutes; any and all claims relative to any agreement relating to your employment with the Released Parties, including any claims under the doctrines of defamation, libel, slander, invasion of privacy, intentional infliction of emotional distress, whistleblowing, interference with contractual relations, retaliatory discharge, breach of contract, wrongful discharge, breach of implied contract or implied covenant of good faith or fair dealing, and any other statute, authority or law, providing a cause of action relating to your employment by or the termination of your employment with the Released Parties; provided, however, that you do not release: (i) any vested retirement benefits or 401k savings plan benefits, medical plan benefits for which you are eligible under the terms of the applicable benefit plans, or any payments to which you are entitled under any qualified or non-qualified benefit plan or program sponsored by NiSource, Inc. (ii) any claim to unemployment insurance or workers' compensation benefits, where applicable, (iii) your rights under this Agreement or (iv) any other claim the law precludes you from waiving by agreement.

You acknowledge and agree that this release is being given only in exchange for consideration to which you are not otherwise entitled.

You represent that you have read and understand the terms of this Release of Claims. You understand that this Release of Claims is applicable to any claims arising prior to the date of this Agreement.

8. Rights Reserved

This Agreement shall not apply to rights or claims that may arise after the effective date of this Agreement, and nothing in this paragraph or this Agreement:

- a. Limits either party's right to enforce this Agreement;
- b. Limits any right that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished by private agreement, including claims for (i) unemployment or workers' compensation, (ii)

vested rights under ERISA, or (iii) reimbursement of expenses under the Company's expense reimbursement policies;

- c. Limits or affects your right to challenge the validity of this Agreement under the ADEA or the OWBPA;
- d. Prevents you from, confidentially or otherwise (without informing the Company), filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, Occupational Safety and Health Administration or any other any federal, state, or local agency charged with the enforcement of any laws; or
- e. Limits your ability under any federal or state trade secret law, without exposure to criminal or civil liability, to disclose trade secrets: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
- f. Limits non-management, non-supervisory employees from engaging in protected concerted activity under §7 of the NLRA or similar state law such as joining, assisting, or forming a union, bargaining, picketing, striking, or participating in other activity for mutual aid or protection, or refusing to do so; this includes using or disclosing information acquired through lawful means regarding wages, hours, benefits, or other terms and conditions of employment, except where the information was entrusted to the employee in confidence by the Company as part of employee's job duties.

Notwithstanding your reservation of the foregoing rights, you understand and agree that by signing this Agreement, you are waiving rights to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit brought by you or on your behalf, except for any right you may have to receive a payment from a government agency (not the Company) for information provided to the government agency.

9. Affirmations

You affirm that you have not filed, caused to be filed, and are not presently a party to any claim, complaint, or action against the Company or any of the Released Parties in any forum or form, or if there are such claims, complaints or actions pending, you agree to withdraw and/or dismiss all such claims, complaints or actions that may be legally withdrawn and/or legally dismissed

prior to the receipt of the severance payment. You also affirm that you are not aware of any other claim you may have against the Company. You further affirm that you have reported all hours worked as of the date of this Agreement and have been paid and/or have received all leave (paid or unpaid), compensation, wages, bonuses, commission, and/ or benefits to which you may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commission and/or benefits are due to you, except as provided in this Agreement. You also affirm that you have no known workplace injuries or occupational diseases. You also represent that you are not aware of any facts on which a claim under the Fair Labor Standards Act, the Attorney Fees in Wage Action Act, or under applicable state minimum wage or leave laws could be brought. Notwithstanding the foregoing, nothing herein is intended to limit any rights you may have pursuant to paragraph 8 of this Agreement.

10. Mutual Non-Disparagement

You agree not to make any false or disparaging comments concerning the Company, its management or employees, or its operations, whether orally or in writing, and whether concerning your employment with or separation from the Company or otherwise, to any third party. The Company, in turn, agrees to not authorize the making of any false or disparaging comments about you and agrees to refer all prospective employment reference inquiries to its third-party administrator to verify your last position held and dates of employment, and not to provide any additional information to prospective employers concerning you or your employment. Notwithstanding the foregoing, nothing herein is intended to limit any rights you may have pursuant to paragraph 8 of this Agreement.

11. Outstanding Charges and Expenses

While you agree that you would be obligated to repay any outstanding amounts owed to the Company, the Company represents that there are no outstanding amounts that you owe to the Company.,

12. Outplacement Assistance

You will be eligible for a defined package of Company-paid reasonable outplacement assistance services for a maximum of twelve months from the date of this Agreement through the consultant of the Company's choice.

13. No Reinstatement of Employment or Re-Employment. You further expressly waive any right or claim you may have for employment or re-employment with any NiSource subsidiary or the Company, either as an employee or as an independent contractor, or as an employee of an independent contractor who performs work on Company facilities, property, or premises. You further agree that this Agreement shall act as a complete bar to your entitlement to any legal,

equitable, or administrative relief, as described and defined above, based upon any such denial of employment.

14. Governing Law

This Agreement shall be construed in accordance with the laws of the State of Indiana, including all matters of construction, validity, and performance, to the extent not preempted by federal law, and that any action brought by any party hereunder may be instituted and maintained only in the appropriate court having jurisdiction over Lake County, Indiana.

15. Severability

In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, you and the Company shall have the option to cancel it.

16. IRC Section 409A

It is intended that this Agreement shall comply with the provisions of IRC Section 409A and any guidance relating thereto, or an exemption to IRC Section 409A, and payments, rights and benefits may only be made, satisfied or provided under this Agreement upon an event and in a manner permitted by IRC Section 409A, to the extent applicable, so as not to subject you to the payment of taxes and interest under IRC Section 409A. In furtherance of this intent, this Agreement shall be interpreted, operated, and administered in a manner consistent with these intentions.

17. Complete Agreement

You acknowledge that in accepting this Agreement, you have not relied upon any representation or promise other than those expressly stated in this Agreement.

This Agreement and the documents specifically referred to herein constitute the complete understanding between you and the Company relating to your separation and replaces any and all prior agreements, promises, representations or inducements, no matter their form, concerning your employment with the Company. No promises or agreements made subsequent to the execution of this Agreement by these parties shall be binding unless reduced to writing and signed by authorized representatives of these parties.

18. **Important Information**

You acknowledge and agree that:

- a. You have 21 days from your receipt of this Agreement within which to review and consider signing the Agreement (the “Consideration Period”) and any changes made to the Agreement, whether material or immaterial, do not restart the Consideration Period;**
- b. You have been and are hereby advised in writing to consult with an attorney of your choice prior to signing this Agreement;**
- c. You have read and fully understand the terms of this Agreement and have knowingly, voluntarily and of your own free will agreed to those terms for the purpose of fully and finally compromising and settling any and all claims, disputed or otherwise, of any kind or nature that you ever had or may now have against the Company or any Released Party arising out of your employment by, and/or separation of employment from, the Company, and arising out of any other matter, whether known or unknown to you at the time of execution of this Agreement, to the extent permitted by law;**
- d. You are not waiving any claims that may arise after the execution of this Agreement under the Age Discrimination in Employment Act, or otherwise; and**
- e. The Company’s performance under this Agreement constitutes full and complete payment of all amounts due to you from the Company and provides additional consideration to which you are not otherwise entitled as a result of your separation from the Company’s employ.**

19. **Breach** The violation of the terms and conditions of any provision set forth in the Agreement constitutes a material breach.

20. **Assigns** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, You may not assign, delegate, or subcontract your rights or obligations under this Agreement except with the prior written consent of the Company.

21. **Counterparts** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

22. Revocation Period

You understand and agree that you have seven days following your execution of this Agreement (the “Revocation Period”) to revoke it, and that if you elect to revoke it, this Agreement shall be null and void in its entirety. To effectively revoke this Agreement, you must do so in writing and deliver your notice of revocation, so that it arrives prior to the close of business on the last day of the Revocation Period, to: Melanie Berman @ mberman@nisource.com

23. Acceptance and Effective Date

To accept this Agreement, you must sign and date both copies of the Agreement in the space provided below to signify your acceptance and return the Agreement to Melanie Berman @ mberman@nisource.com prior to the close of business (i.e., 5:00 p.m. Eastern time) on the last day of the Consideration Period, March 11, 2024. This Agreement shall become effective and irrevocable automatically upon the expiration of the Revocation Period if it is not revoked in the manner discussed in the preceding paragraph.

Very truly yours,

Melanie Berman
SVP & Chief Human Resource Officer

Acceptance:

I acknowledge that I have read and understand the provisions of this Agreement and represent that the execution of this Agreement constitutes my knowing and voluntary act, made without coercion or intimidation. I understand and agree that this Agreement is not enforceable or binding upon me, my heirs, executors, and administrators unless or until such time that it is signed by me and a representative of the Company below.

/s/ Donald Brown

Donald Brown

March 11, 2024

Date

/s/ Tanisha Brown

WITNESS

FOR THE COMPANY:

/s/ Melanie Berman

Melanie Berman

SVP & Chief Human Resource Officer

NOTE: TO BE SIGNED AFTER THE EMPLOYEE SIGNS ABOVE.

March 15, 2024

Date

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

FORM 8-K

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

Date of Report (Date of earliest event reported): March 18, 2024

NiSource Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

801 East 86th Avenue
Merrillville, Indiana
(Address of Principal Executive Offices)

001-16189
(Commission
file number)

35-2108964
(I.R.S. Employer
Identification No.)

46410
(Zip Code)

Registrant's telephone number, including area code: (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	NI	New York Stock Exchange
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

Item 3.03. Material Modification to Rights of Security Holders.

The information set forth under Item 5.03 below is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On March 18, 2024, NiSource Inc. (the “Company”) filed a Certificate of Elimination to its Amended and Restated Certificate of Incorporation with the Secretary of State of the 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 its 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock (the “Series B Preferred Stock”) and the Certificate of Designations with respect to its Series B-1 Preferred Stock (the “Series B-1 Preferred Stock”). As previously disclosed, all outstanding shares of the Series B Preferred Stock and the Series B-1 Preferred Stock were redeemed on March 15, 2024 for a redemption price of \$25,000 per share for the Series B Preferred Stock (the “Series B Redemption Price”) and \$0.01 per share for the Series B-1 Preferred Stock (the “Series B-1 Redemption Price”). Following the redemptions, 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 are 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, except the right of the holders to receive payment of the Series B Redemption Price or the Series B-1 Redemption Price, as applicable, without interest. A copy of the Certificate of Elimination relating to the Series B Preferred Stock and the Series B-1 Preferred Stock is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed herewith:

<u>EXHIBIT NO.</u>	<u>DESCRIPTION OF EXHIBIT</u>
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, issued by NiSource Inc.
104	Cover Page Interactive Data File (embedded in the cover page formatted in Inline XBRL)

SIGNATURES

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 hereunto duly authorized.

NISOURCE INC.

Date: March 18, 2024

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

Exhibit 3.1

**CERTIFICATE OF ELIMINATION
OF
6.50% SERIES B FIXED-RATE RESET CUMULATIVE
REDEEMABLE PERPETUAL PREFERRED STOCK
AND
SERIES B-1 PREFERRED STOCK
OF
NISOURCE INC.
Pursuant to Section 151 of the
General Corporation Law of the State of Delaware**

NiSource Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

1. At a meeting of the Board of Directors (the "Board") of the Corporation duly convened and held on January 25, 2024, the Board duly adopted resolutions authorizing (a) the redemption of the outstanding 20,000 shares of the Corporation's 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock (the "Series B Preferred Stock") and the simultaneous redemption of the outstanding 20,000 shares of the Corporation's Series B-1 Preferred Stock (the "Series B-1 Preferred Stock") and (b) the Authorized Officers of the Corporation to do and perform, or cause to be done and performed, all such acts and deeds and to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments, waivers, amendments or certificates and to pay any fees or costs in the name and on behalf of the Corporation or otherwise as any such Authorized Officer may deem necessary or appropriate to effectuate and carry out fully the purpose and intent of the foregoing resolutions.

2. All shares of the Series B Preferred Stock and Series B-1 Preferred Stock have been redeemed.

3. The "Authorized Officers" include Kimberly S. Cuccia, the Senior Vice President, General Counsel and Corporate Secretary of the Corporation.

4. Pursuant to Section 151 of the General Corporation Law of the State of Delaware, such resolutions shall have the effect of eliminating from the certificate of incorporation of the Corporation all matters set forth in the Certificate of Designations of the Series B Preferred Stock previously filed by the Corporation with the Secretary of State of the State of Delaware on November 30, 2018 (the "Series B Certificate of Designations") and the Certificate of Designations of the Series B-1 Preferred Stock previously filed by the Corporation with the Secretary of the State of Delaware on December 26, 2018 (the "Series B-1 Certificate of Designations").

5. No shares of Series B Preferred Stock and the Series B-1 Preferred Stock remain issued and outstanding.

6. Kimberly S. Cuccia, in her capacity as an Authorized Officer, has certified the resolutions set forth below.

NOW, THEREFORE, BE IT RESOLVED, that following redemption of the Series B Preferred Stock and the Series B-1 Preferred Stock, no further shares of Series B Preferred Stock shall be issued subject to the Series B Certificate of Designations and no further shares of the Series B-1 Preferred Stock shall be issued subject to the Series B-1 Certificate of Designations;

FURTHER RESOLVED, that following redemption of the Series B Preferred Stock and the Series B-1 Preferred Stock, no shares of the Series B Preferred Stock and the Series B-1 Preferred Stock are outstanding; and

FURTHER RESOLVED, that the Authorized Officers of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to execute a Certificate of Elimination relating to the Series B Preferred Stock and the Series B-1 Preferred Stock, as well as such other certificates or instruments as may be required, to be filed with the Secretary of State of the State of Delaware to evidence the elimination from the certificate of incorporation of the Corporation all matters set forth in the Series B Certificate of Designations and in the Series B-1 Certificate Designations, such elimination to be effective upon the filing with the Secretary of State of the State of Delaware of such Certificate of Elimination of the Series B Preferred Stock and Series B-1 Preferred Stock.

[Signature Page Follows]

IN WITNESS WHEREOF, NiSource Inc. has caused this Certificate of Elimination to be signed by the undersigned as of this 18th day of March, 2024.

/s/ Kimberly S. Cuccia

Kimberly S. Cuccia
Senior Vice President, General Counsel and
Corporate Secretary

[Signature Page to Series B/B-1 Preferred Stock Certificate of Elimination]

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 18, 2024

NiSource Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16189
Commission
File Number

35-2108964
(I.R.S. Employer
Identification No.)

801 East 86th Avenue
Merrillville, IN
(Address of principal executive offices)

46410
(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

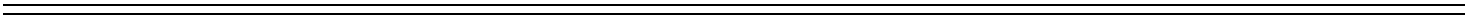
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.



Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

On March 18, 2024, Aristides S. Candris, a member of the Board of Directors (the “Board”) of NiSource Inc. (the “Company”), notified the Board of his decision to retire from the Board, effective as of March 19, 2024. Mr. Candris’ decision to retire from the Board was not due to any disagreement with the Company on any matter relating to the Company’s operations, policies or practices. The Board thanks Mr. Candris for his leadership and service to the Company.

On March 19, 2024, the Board appointed John McAvoy as a director of the Company, effective immediately. The Board also appointed Mr. McAvoy to serve on the Compensation and Human Capital Committee and Safety, Operations, Regulatory and Policy Committee. Mr. McAvoy will stand for election at the Company’s 2024 Annual Meeting of Stockholders.

Mr. McAvoy, 63, most recently served as President and Chief Executive Officer of Consolidated Edison, Inc. (“ConEdison”) and Chief Executive Officer of Consolidated Edison Company of New York, Inc. (“ConEdison of New York”) from December 2013 through December 28, 2020. He continued to serve as director of ConEdison until his retirement in May 2023 after forty-three years of experience with ConEdison, including serving as Non-executive Chairman of the Board of ConEdison and the Board of ConEdison of New York from January 2021 until December 2021 as well as Chairman of the Board of ConEdison and ConEdison of New York from May 2014 until December 2020.

There is no arrangement or understanding between Mr. McAvoy and any other person, pursuant to which he was selected as a director of the Company. Mr. McAvoy does not have any direct or indirect material interest in any transaction or proposed transaction involving the Company required to be reported under Item 404(a) of Regulation S-K.

Consistent with the Company’s compensation practices for non-employee directors, Mr. McAvoy will receive an annualized retainer of \$275,000, consisting of \$110,000 in cash and an award of restricted stock units valued at \$165,000 at the time of the award. The form of restricted stock unit award agreement for non-employee directors was previously filed as Exhibit 10.20 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

A copy of the Company’s press release, dated March 19, 2024, announcing Mr. Candris’ retirement and Mr. McAvoy’s appointment is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	NiSource Inc. Press Release dated March 19, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: March 19, 2024

By:

/s/ Kimberly S. Cuccia

Kimberly S. Cuccia

Senior Vice President, General Counsel and Corporate Secretary

Exhibit 99.1



FOR IMMEDIATE RELEASE:

March 19, 2024

Aristides S. Candris Departs from the Board After 12 Years of Service

NiSource Inc. (NYSE: NI) today announced Aristides S. Candris, who has served as a director since 2012, has retired from the NiSource Board, and that it has appointed John McAvoy to its Board of Directors, effective immediately.

“We are pleased with the appointment of John McAvoy and the deep utility operational expertise he brings to the Board,” said NiSource Board Chair Kevin T. Kabat. “John also possesses substantial experience in executive leadership, finance, engineering, and operations that will be invaluable assets to our Board and the company.”

Kabat added, “On behalf of the entire Board, I would like to thank Aris for his leadership and direction to NiSource. We have benefitted from his guidance during his tenure and are incredibly thankful for his dedication to NiSource, including his commitment to safety and supporting NiSource’s 2022 achievement confirming certification in the American Petroleum Institute’s Recommended Practice 1173 for its Safety Management System (SMS), making NiSource the second entity in the world to achieve this distinction.”

Mr. McAvoy most recently served as President and Chief Executive Officer of Consolidated Edison, Inc. (“ConEdison”) and Chief Executive Officer of Consolidated Edison Company of New York, Inc. (“ConEdison of New York”) from December 2013 through December 28, 2020. He continued to serve as director of ConEdison until his retirement in May 2023 after forty-three years of experience with ConEdison, including serving as Non-executive Chairman of the Board of ConEdison and the Board of ConEdison of New York from January 2021 until December 2021 as well as Chairman of the Board of ConEdison and ConEdison of New York from May 2014 until December 2020.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,400 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability—North America Index and is on Forbes lists of America’s Best Employers for Women and Diversity. Learn more about NiSource’s record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

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FOR ADDITIONAL INFORMATION

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

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 8, 2024

NiSource Inc.

(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction
of incorporation or organization)

001-16189

Commission
file number

35-2108964

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

**801 East 86th Avenue
Merrillville, IN**

(Address of principal executive offices)

46410

(Zip Code)

Registrant's telephone number, including area code **(877) 647-5990**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth 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.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 8, 2024, NiSource Inc. (the “Company”) reported its financial results for the period ended March 31, 2024. The Company’s press release, dated May 8, 2024, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated May 8, 2024, issued by NiSource Inc.
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.)

SIGNATURES

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 hereunto 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)



FOR IMMEDIATE RELEASE:
May 8, 2024

NiSource announces first quarter 2024 results

- Reaffirming 2024 non-GAAP adjusted EPS guidance
- Reaffirming 2023-2028 annual non-GAAP adjusted EPS growth of 6-8%

MERRILLVILLE, Ind. - NiSource Inc. (NYSE: NI) today announced, on a GAAP basis, net income available to common shareholders for the three months ended March 31, 2024, of \$344.3 million, or \$0.77 of earnings per diluted share, compared to net income available to common shareholders of \$319.2 million, or \$0.71 of earnings per diluted share, for the same period of 2023.

NiSource also reported first quarter 2024 non-GAAP adjusted net income available to common shareholders of \$382.8 million, or \$0.85 of adjusted earnings per share ("EPS") compared to non-GAAP adjusted net income available to common shareholders of \$343.0 million, or \$0.77 of adjusted EPS, for the same period of 2023. Schedule 1 of this press release contains a complete reconciliation of GAAP measures to non-GAAP measures.**

NiSource is reaffirming 2024 adjusted EPS guidance of \$1.70-1.74 as well as annual 6-8% adjusted EPS growth and annual 8-10% rate base growth* for the 2023-2028 period. The 2024-2028 base capital expenditure plan is increased to \$16.4 billion, a \$400 million increase versus the prior \$16 billion.

"Today's first quarter 2024 earnings results and regulatory progress underscore our ability to deliver on stakeholder commitments," said NiSource President and CEO, Lloyd Yates. "We are adding to our base capex plan without incremental equity issuance, once again demonstrating the improving position and flexibility of our balance sheet and its ability to support our portfolio of organic investment opportunities. The tireless effort of our employees and contractors makes this possible and continues to drive improved value and reliability of service for our nearly four million customers."

*core business rate base growth; select years may exceed range

****Non-GAAP Disclosure Statement**

Beginning with the first quarter of 2024, NiSource Inc. changed its disclosure of non-GAAP results and guidance for net operating earnings available to common shareholders to adjusted net income available to common shareholders and for net operating EPS to adjusted EPS to better align with the presentation used by many companies to report their non-GAAP results. The change reflects a name change only and the calculations of each of these non-GAAP metrics remains consistent with the historical calculations.

This press release includes financial results and guidance for NiSource with respect to adjusted net income available to common shareholders and adjusted EPS, which are non-GAAP financial measures as defined by the SEC. The company includes these measures because management believes they permit investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to guidance on adjusted EPS, NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on adjusted net income available to common shareholders due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures. The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP adjusted EPS guidance to the comparable GAAP equivalents without unreasonable efforts.

Additional Information

Additional information for the quarter ended March 31, 2024, is available on the Investors section of www.nisource.com, including segment and financial information and a presentation, as well as NiSource's social media channels. The company alerts investors that it intends to use the Investors section of its website www.nisource.com and as well as the company's social media channels to disseminate important information about the company to its investors. Investors are advised to look at NiSource's website and its social media channels for future important information about the company.

About NiSource

NiSource Inc. (NYSE: NI) is one of the largest fully-regulated utility companies in the United States, serving approximately 3.3 million natural gas customers and 500,000 electric customers across six states through its local Columbia Gas and NIPSCO brands. The mission of our approximately 7,400 employees is to deliver safe, reliable energy that drives value to our customers. NiSource is a member of the Dow Jones Sustainability - North America Index and is on Forbes lists of America's Best Employers for Women and Diversity. Learn more about NiSource's record of leadership in sustainability, investments in the communities it serves and how we live our vision to be an innovative and trusted energy partner at www.NiSource.com. NI-F

The content of our website is not incorporated by reference into this document or any other report or document NiSource files with the Securities and Exchange Commission ("SEC").

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FOR ADDITIONAL INFORMATION

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Forward-Looking Statements

This Press Release 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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. Forward-looking statements in this press release include, but are not limited to, statements concerning our 2024 guidance on adjusted EPS, 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 Press Release 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; 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" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, 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.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended March 31,	
	2024	2023
GAAP Net Income Available to Common Shareholders	\$ 344.3	\$ 319.2
Adjustments to Operating Income :		
Operating Revenues:		
Weather - compared to normal	32.9	32.3
Total adjustments to operating income	32.9	32.3
Income Taxes:		
Tax effect of above items ⁽¹⁾	(8.4)	(8.5)
Preferred Dividends:		
Preferred dividends redemption premium ⁽²⁾	14.0	—
Total adjustments to net income	38.5	23.8
Adjusted Net Income Available to Common Shareholders	\$ 382.8	\$ 343.0
Diluted Average Common Shares	449.4	447.1
GAAP Diluted Earnings Per Share⁽³⁾	\$ 0.77	\$ 0.71
Adjustments to diluted earnings per share	0.08	0.06
Adjusted Earnings Per Share	\$ 0.85	\$ 0.77

⁽¹⁾Represents income tax expense calculated using the statutory tax rates for legal entity.

⁽²⁾Represents the difference between the carrying value on the redemption date of the Series B Preferred Stock and the total amount of consideration paid to redeem, net of the fair value of common shares issued during 2024.

⁽³⁾ GAAP Diluted Earnings Per Share includes the effects of income allocated to participating securities and adds back the dilutive effect of Equity Units in the prior year. Please refer to Note 5, "Earnings Per Share," within the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024.

TAB 70

807 KAR 5:001 Section 16(7)(p)

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, 2022

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 Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	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: 405,798,111 shares outstanding at April 26, 2022.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2022

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I</u>	
<u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	14
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	33
Item 3. Quantitative and Qualitative Disclosures About Market Risk	53
Item 4. Controls and Procedures	53
<u>PART II</u>	
<u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	54
Item 1A. Risk Factors	54
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	55
Item 3. Defaults Upon Senior Securities	55
Item 4. Mine Safety Disclosures	55
Item 5. Other Information	55
Item 6. Exhibits	56
Signature	57

DEFINED TERMS

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

NiSource Subsidiaries and Affiliates

Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Massachusetts	Bay State Gas Company
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
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

Abbreviations and Other

ACE	Affordable Clean Energy
AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	At-the-market
BTA	Build-transfer agreement
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019 and its variants, including the Delta and Omicron variants, and any other variant that may emerge
DSIC	Distribution System Improvement Charge
DPU	Department of Public Utilities
EPA	United States Environmental Protection Agency
EPS	Earnings per share
Equity Units	Series A Equity Units
FAC	Fuel adjustment clause
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
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
LIBOR	London InterBank Offered Rate

DEFINED TERMS

LIFO	Last In, First Out
LIHEAP	Low Income Heating Energy Assistance Programs
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NTSB	National Transportation Safety Board
NYMEX	New York Mercantile Exchange
OPEB	Other Postemployment Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PUCO	Public Utilities Commission of Ohio
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)
SEC	Securities and Exchange Commission
Section 201 Tariffs	Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026
SMRP	Safety Modification and Replacement Program
STRIDE	Strategic Infrastructure Development Enhancement
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
U.S. Attorney's Office	U.S. Attorney's Office for the District of Massachusetts
VIE	Variable Interest Entity

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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 adapt to, and manage costs related to, advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and matters related to our electric generation transition as set forth in the "Risk Factors" section of this Quarterly Report on Form 10-Q, many 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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	14
1. Basis of Accounting Presentation	14
2. Recent Accounting Pronouncements	14
3. Revenue Recognition	14
4. Earnings Per Share	17
5. Equity	18
6. Gas in Storage	19
7. Regulatory Matters	20
8. Risk Management Activities	20
9. Fair Value	22
10. Income Taxes	25
11. Pension and Other Postretirement Benefits	25
12. Variable Interest Entities	26
13. Long-Term Debt	27
14. Short-Term Borrowings	27
15. Other Commitments and Contingencies	28
16. Accumulated Other Comprehensive Loss	31
17. Other, Net	31
18. Business Segment Information	31
19. Subsequent Event	32

[Table of Contents](#)

PART I

ITEM 1. FINANCIAL STATEMENTS

**NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)**

	Three Months Ended March 31,	
	2022	2021
<i>(in millions, except per share amounts)</i>		
Operating Revenues		
Customer revenues	\$ 1,840.3	\$ 1,506.5
Other revenues	33.0	39.1
Total Operating Revenues	1,873.3	1,545.6
Operating Expenses		
Cost of energy	706.7	476.8
Operation and maintenance	394.3	361.5
Depreciation and amortization	192.7	185.0
Loss (gain) on sale of assets, net	(105.0)	8.1
Other taxes	84.3	81.0
Total Operating Expenses	1,273.0	1,112.4
Operating Income	600.3	433.2
Other Income (Deductions)		
Interest expense, net	(83.7)	(84.6)
Other, net	10.9	10.5
Total Other Deductions, Net	(72.8)	(74.1)
Income before Income Taxes	527.5	359.1
Income Taxes	96.2	62.6
Net Income	431.3	296.5
Net income attributable to noncontrolling interest	4.5	1.0
Net Income Attributable to NiSource	426.8	295.5
Preferred dividends	(13.8)	(13.8)
Net Income Available to Common Shareholders	413.0	281.7
Earnings Per Share		
Basic Earnings Per Share	\$ 1.02	\$ 0.72
Diluted Earnings Per Share	\$ 0.94	\$ 0.72
Basic Average Common Shares Outstanding	406.0	392.7
Diluted Average Common Shares	441.4	393.9

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

<i>(in millions, net of taxes)</i>	Three Months Ended March 31,	
	2022	2021
Net Income	\$ 431.3	\$ 296.5
Other comprehensive income:		
Net unrealized loss on available-for-sale debt securities ⁽¹⁾	(5.7)	(2.5)
Net unrealized gain on cash flow hedges ⁽²⁾	47.0	84.6
Unrecognized pension and OPEB benefit (costs) ⁽³⁾	0.1	(0.9)
Total other comprehensive income	41.4	81.2
Comprehensive Income	\$ 472.7	\$ 377.7

⁽¹⁾Net unrealized loss on available-for-sale debt securities, net of \$1.5 million and \$0.7 million tax benefit in the first quarter of 2022 and 2021, respectively.

⁽²⁾Net unrealized gain on cash flow hedges, net of \$21.3 million and \$28.0 million tax expense in the first quarter of 2022 and 2021, respectively.

⁽³⁾Unrecognized pension and OPEB benefit, net of zero and \$0.9 million tax expense in the first quarter of 2022 and 2021, respectively.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

**NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)**

<i>(in millions)</i>	March 31, 2022	December 31, 2021
ASSETS		
Property, Plant and Equipment		
Plant	\$ 25,538.3	\$ 25,171.3
Accumulated depreciation and amortization	(7,417.6)	(7,289.5)
Net Property, Plant and Equipment ⁽¹⁾	18,120.7	17,881.8
Investments and Other Assets		
Unconsolidated affiliates	0.8	0.8
Available-for-sale debt securities (amortized cost of \$161.7 and \$169.3, allowance for credit losses of \$0.6 and \$0.2, respectively)	156.7	171.8
Other investments	82.4	87.1
Total Investments and Other Assets	239.9	259.7
Current Assets		
Cash and cash equivalents	114.5	84.2
Restricted cash	15.9	10.7
Accounts receivable	989.6	849.1
Allowance for credit losses	(28.5)	(23.5)
Accounts receivable, net	961.1	825.6
Gas inventory	74.8	327.4
Materials and supplies, at average cost	146.9	139.1
Electric production fuel, at average cost	41.5	32.2
Exchange gas receivable	98.6	99.6
Regulatory assets	154.7	206.2
Prepayments and other	263.9	195.8
Total Current Assets ⁽¹⁾	1,871.9	1,920.8
Other Assets		
Regulatory assets	2,276.3	2,286.0
Goodwill	1,485.9	1,485.9
Deferred charges and other	370.8	322.7
Total Other Assets	4,133.0	4,094.6
Total Assets	\$ 24,365.5	\$ 24,156.9

⁽¹⁾Includes \$690.4 million and \$695.9 million at March 31, 2022 and December 31, 2021, respectively, of net property, plant and equipment assets and \$27.4 million and \$14.3 million at March 31, 2022 and December 31, 2021, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 12, "Variable Interest Entities" for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

<i>(in millions, except share amounts)</i>	March 31, 2022	December 31, 2021
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - \$0.01 par value, 600,000,000 shares authorized; 405,734,408 and 405,303,023 shares outstanding, respectively	\$ 4.1	\$ 4.1
Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 1,302,500 shares outstanding	1,546.5	1,546.5
Treasury stock	(99.9)	(99.9)
Additional paid-in capital	7,208.9	7,204.3
Retained deficit	(1,372.3)	(1,580.9)
Accumulated other comprehensive loss	(85.4)	(126.8)
Total NiSource Stockholders' Equity	7,201.9	6,947.3
Noncontrolling interest in consolidated subsidiaries	329.5	325.6
Total Equity	7,531.4	7,272.9
Long-term debt, excluding amounts due within one year	9,179.8	9,183.4
Total Capitalization	16,711.2	16,456.3
Current Liabilities		
Current portion of long-term debt	57.9	58.1
Short-term borrowings	520.0	560.0
Accounts payable	628.5	697.8
Dividends payable - common stock	95.3	—
Dividends payable - preferred stock	19.4	—
Customer deposits and credits	155.2	237.9
Taxes accrued	313.5	277.1
Interest accrued	94.3	105.5
Exchange gas payable	37.8	107.7
Regulatory liabilities	229.1	137.4
Accrued compensation and employee benefits	130.5	182.7
Other accruals	313.1	382.0
Total Current Liabilities ⁽¹⁾	2,594.6	2,746.2
Other Liabilities		
Deferred income taxes	1,789.8	1,659.4
Accrued liability for postretirement and postemployment benefits	285.3	292.5
Regulatory liabilities	1,843.1	1,842.6
Asset retirement obligations	472.0	469.7
Other noncurrent liabilities	669.5	690.2
Total Other Liabilities ⁽¹⁾	5,059.7	4,954.4
Commitments and Contingencies (Refer to Note 15, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 24,365.5	\$ 24,156.9

⁽¹⁾Includes \$16.7 million and \$10.0 million at March 31, 2022 and December 31, 2021, respectively, of current liabilities and \$20.6 million and \$20.5 million at March 31, 2022 and December 31, 2021, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 12, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Cash Flows (unaudited)

Three Months Ended March 31, (in millions)	2022	2021
Operating Activities		
Net Income	\$ 431.3	\$ 296.5
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	192.7	185.0
Deferred income taxes and investment tax credits	87.2	55.2
Loss (gain) on sale of assets	(105.0)	8.1
Other adjustments	8.0	3.5
Changes in Assets and Liabilities:		
Components of working capital	(42.4)	(89.3)
Regulatory assets/liabilities	24.9	8.4
Deferred charges and other noncurrent assets	(7.4)	(10.7)
Other noncurrent liabilities	(9.5)	(8.4)
Net Cash Flows from Operating Activities	579.8	448.3
Investing Activities		
Capital expenditures	(450.1)	(367.0)
Insurance recoveries	105.0	—
Payment to renewable generation asset developer	—	(7.4)
Other investing activities	(25.3)	(27.4)
Net Cash Flows used for Investing Activities	(370.4)	(401.8)
Financing Activities		
Repayments of finance lease obligations	(7.3)	(5.9)
Change in short-term borrowings, net (maturity ≤ 90 days)	(40.0)	17.0
Issuance of common stock, net of issuance costs	2.8	2.8
Equity costs, premiums and other debt related costs	(8.9)	(2.5)
Contributions from noncontrolling interest	—	7.5
Distributions to noncontrolling interest	(0.6)	—
Dividends paid - common stock	(95.3)	(86.2)
Dividends paid - preferred stock	(8.1)	(8.1)
Contract liability payment	(16.5)	—
Net Cash Flows used for Financing Activities	(173.9)	(75.4)
Change in cash, cash equivalents and restricted cash	35.5	(28.9)
Cash, cash equivalents and restricted cash at beginning of period	94.9	125.6
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 130.4	\$ 96.7

Reconciliation to Balance Sheet

Three Months Ended March 31, (in millions)	2022
Cash and cash equivalents	114.5
Restricted Cash	15.9
Total Cash, Cash Equivalents and Restricted Cash	130.4

Supplemental Disclosures of Cash Flow Information

Three Months Ended March 31, (in millions)	2022	2021
Non-cash transactions:		
Capital expenditures included in current liabilities	\$ 183.4	\$ 155.6
Dividends declared but not paid	114.7	105.7
Obligation to developer at formation of joint venture	\$ —	\$ 6.0

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,204.3	\$ (1,580.9)	\$ (126.8)	\$ 325.6	\$ 7,272.9
Comprehensive Income:								
Net income	—	—	—	—	426.8	—	4.5	431.3
Other comprehensive income, net of tax	—	—	—	—	—	41.4	—	41.4
Dividends:								
Common stock (\$0.47 per share)	—	—	—	—	(190.7)	—	—	(190.7)
Preferred stock (See Note 5)	—	—	—	—	(27.5)	—	—	(27.5)
Distributions to noncontrolling interests	—	—	—	—	—	—	(0.6)	(0.6)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.2	—	—	—	1.2
Long-term incentive plan	—	—	—	0.9	—	—	—	0.9
401(k) and profit sharing	—	—	—	2.5	—	—	—	2.5
Balance as of March 31, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,208.9	\$ (1,372.3)	\$ (85.4)	\$ 329.5	\$ 7,531.4

⁽¹⁾Series A, Series B, and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity" for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2021	\$ 3.9	\$ 880.0	\$ (99.9)	\$ 6,890.1	\$ (1,765.2)	\$ (156.7)	\$ 85.6	\$ 5,837.8
Comprehensive Income:								
Net income	—	—	—	—	295.5	—	1.0	296.5
Other comprehensive income, net of tax	—	—	—	—	—	81.2	—	81.2
Dividends:								
Common stock (\$0.44 per share)	—	—	—	—	(172.6)	—	—	(172.6)
Preferred stock (See Note 5)	—	—	—	—	(27.5)	—	—	(27.5)
Contribution from noncontrolling interest	—	—	—	—	—	—	7.5	7.5
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	(0.5)	—	—	—	(0.5)
401(k) and profit sharing	—	—	—	2.3	—	—	—	2.3
ATM program	—	—	—	(0.3)	—	—	—	(0.3)
Balance as of March 31, 2021	\$ 3.9	\$ 880.0	\$ (99.9)	\$ 6,892.9	\$ (1,669.8)	\$ (75.5)	\$ 94.1	\$ 6,025.7

⁽¹⁾Series A and Series B shares have an aggregate liquidation preference of \$400M and \$500M, respectively. See Note 5, "Equity" for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2022	1,303	409,266	(3,963)	405,303
Issued:				
Employee stock purchase plan	—	44	—	44
Long-term incentive plan	—	300	—	300
401(k) and profit sharing	—	87	—	87
Balance as of March 31, 2022	1,303	409,697	(3,963)	405,734

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2021	440	395,723	(3,963)	391,760
Issued:				
Employee stock purchase plan	—	55	—	55
Long-term incentive plan	—	212	—	212
401(k) and profit sharing	—	103	—	103
Balance as of March 31, 2021	440	396,093	(3,963)	392,130

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

[Table of Contents](#)

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, 2021. 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

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited), which are described below:

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. These pronouncements provide temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. These pronouncements are effective upon issuance on March 12, 2020, and will apply through December 31, 2022. We have evaluated the temporary expedients and options available under this guidance and identified the financial instruments to which the expedients could be applied, if deemed necessary. As of March 31, 2022, we have not applied any expedients or options available under these ASUs.

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. This pronouncement requires certain annual disclosures for transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance. This pronouncement is applicable for financial statements issued for annual periods beginning after December 15, 2021. We are currently evaluating the impact of adoption, if any, on the Notes to the Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This pronouncement amends the guidance for entities that issue convertible instruments and/or contracts indexed to and potentially settled in an entity's own equity. The pronouncement eliminates the beneficial conversion and cash conversion accounting models for convertible instruments. Additionally, the pronouncement amends the guidance for the derivatives scope exception for contracts in an entity's own equity. Further, this pronouncement only impacts the denominator in the calculation of diluted EPS for our Equity Units as we are required to assume share settlement of the remaining purchase contract payment balance when applying the if-converted method. Moreover, we are required to utilize the average share price for the period instead of the end of period price. We adopted this pronouncement using the modified retrospective method as of January 1, 2022.

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

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):

Three Months Ended March 31, 2022 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 976.9	\$ 138.5	\$ —	\$ 1,115.4
Commercial	356.5	134.5	—	491.0
Industrial	67.8	129.8	—	197.6
Off-system	18.7	—	—	18.7
Miscellaneous	14.0	3.6	—	17.6
Total Customer Revenues	\$ 1,433.9	\$ 406.4	\$ —	\$ 1,840.3
Other Revenues	2.8	23.7	6.5	33.0
Total Operating Revenues	\$ 1,436.7	\$ 430.1	\$ 6.5	\$ 1,873.3

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues primarily related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Three Months Ended March 31, 2021 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 773.5	\$ 129.2	\$ —	\$ 902.7
Commercial	271.4	122.9	—	394.3
Industrial	57.9	122.9	—	180.8
Off-system	14.4	—	—	14.4
Miscellaneous	9.9	4.2	0.2	14.3
Total Customer Revenues	\$ 1,127.1	\$ 379.2	\$ 0.2	\$ 1,506.5
Other Revenues	8.7	23.3	7.1	39.1
Total Operating Revenues	\$ 1,135.8	\$ 402.5	\$ 7.3	\$ 1,545.6

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues primarily related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

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, 2022 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.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2021	\$ 459.6	\$ 337.0
Balance as of March 31, 2022	642.7	293.5

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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, and final bill data. 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.

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, 2022 and December 31, 2021 are presented in the table below:

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2022	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5
Current period provisions	5.8	2.8	—	8.6
Write-offs charged against allowance	(7.7)	(1.2)	—	(8.9)
Recoveries of amounts previously written off	5.2	0.1	—	5.3
Balance as of March 31, 2022	\$ 22.2	\$ 5.5	\$ 0.8	\$ 28.5

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2021	\$ 41.8	\$ 9.7	\$ 0.8	\$ 52.3
Current period provisions	5.8	1.4	—	7.2
Write-offs charged against allowance	(46.7)	(7.7)	—	(54.4)
Recoveries of amounts previously written off	18.0	0.4	—	18.4
Balance as of December 31, 2021	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5

In connection with the COVID-19 pandemic, certain state regulatory commissions instituted regulatory moratoriums that impacted our ability to pursue our standard credit risk mitigation practices during 2021. Following the issuance of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently recovered in rates. At December 31, 2021, in addition to our evaluation of the allowance for credit losses discussed above, we considered benefits available under governmental COVID-19 relief programs, the impact of unemployment benefits initiatives, and flexible payment plans being offered to customers affected by or experiencing hardship as a result of the pandemic, which could help to mitigate the potential for increasing customer account delinquencies. We also considered the on-time bill payment promotion and robust customer marketing strategy for energy assistance programs that we have implemented. Based upon this evaluation, we have concluded that the allowance for credit losses as of December 31, 2021 and March 31, 2022 adequately reflected the collection risk and net realizable value for our receivables. As of December 31, 2021, we resumed our common credit mitigation practices in all jurisdictions as all moratoriums had expired.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

4. 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 purposes of determining diluted EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three months ended March 31, 2022 using the if-converted method under US GAAP. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the stock price falls below the initial reference price of \$24.51, subject to anti-dilution adjustments, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the stock price is above the initial reference price of \$24.51, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment was reflected in the calculation of diluted EPS for interest expense incurred in 2022 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which resulted in additional dilution from our Equity Units by requiring us to assume share settlement of the remaining purchase contract payment balance based on the average share price outstanding during the period. Refer to Note 2, "Recent Accounting Pronouncements," for more information on ASU 2020-06.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible securities as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of March 31, 2022, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three months ended March 31, 2022.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive. Refer to Note 5, "Equity," for more information on our ATM forward agreements.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended March 31,	
	2022	2021
Numerator:		
Net Income Available to Common Shareholders - Basic	\$ 413.0	\$ 281.7
Dilutive effect of Equity Units	0.5	—
Net Income Available to Common Shareholders - Diluted	\$ 413.5	\$ 281.7
Denominator:		
Average common shares outstanding - Basic	406.0	392.7
Dilutive potential common shares:		
Equity Units purchase contracts	29.1	—
Equity Units purchase contract payment balance	4.0	—
Shares contingently issuable under employee stock plans	1.0	0.6
Shares restricted under employee stock plans	0.4	0.3
ATM forward agreements	0.9	0.3
Average Common Shares - Diluted	441.4	393.9
Earnings per common share:		
Basic	\$ 1.02	\$ 0.72
Diluted	\$ 0.94	\$ 0.72

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

5. Equity

ATM Program and Forward Sale Agreement. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$750.0 million of our common stock.

On August 9, 2021, 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. From August 9, 2021 to September 1, 2021, the forward purchaser under our forward sale agreement borrowed 5,941,598 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of \$25.25 per share. We may settle the forward sale agreement in shares, cash, or net shares by December 15, 2022. Had we settled all the shares under the forward sale agreement at March 31, 2022, we would have received approximately \$145.2 million, based on a net price of \$24.44 per share.

As of March 31, 2022, the ATM program (including the impacts of the forward sale agreement discussed above) had approximately \$300.0 million of equity available for issuance. The program expires on December 31, 2023.

Preferred Stock. As of March 31, 2022, we had 20,000,000 shares of preferred stock authorized for issuance, of which 1,302,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

	Liquidation Preference Per Share	Shares	Three Months Ended March 31,		March 31,	December 31,
			2022	2021	2022	2021
(in millions except shares and per share amounts)	Share	Shares	Dividends Declared Per Share		Outstanding	
5.650% Series A	\$ 1,000.00	400,000	28.25	28.25	\$ 393.9	\$ 393.9
6.500% Series B	\$ 25,000.00	20,000	812.50	812.50	\$ 486.1	\$ 486.1
Series C ⁽¹⁾	\$ 1,000.00	862,500	—	—	\$ 666.5	\$ 666.5

⁽¹⁾The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock.

In addition, 20,000 shares of Series B–1 Preferred Stock, par value \$0.01 per share, were outstanding as of March 31, 2022. Holders of Series B–1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B–1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption or repurchase of the underlying Series B Preferred Stock.

As of March 31, 2022 and 2021, Series A Preferred Stock had \$6.7 million of cumulative preferred dividends in arrears, or \$16.63 per share, and Series B Preferred Stock had \$1.4 million of cumulative preferred dividends in arrears, or \$72.23 per share.

Equity Units. On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of Corporate Units, each with a stated amount of \$100. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share. We are accounting for the Corporate Units as a single unit of account.

Selected information about the Equity Units at the issuance date is presented below:

(in millions except contract rate)	Issuance Date	Units Issued	Total Net Proceeds ⁽¹⁾	Purchase Contract Annual Rate	Purchase Contract Liability
Equity Units	April 19, 2021	8.625	\$ 835.5	7.75 %	\$ 168.8

⁽¹⁾Issuance costs of \$27.0 million were recorded on a relative fair value basis as a reduction to preferred stock of \$22.5 million and a reduction to the purchase contract liability of \$4.5 million.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is \$100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred Stock will initially be pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

The Series C Mandatory Convertible Preferred Stock is expected to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We will pay quarterly contract adjustment payments to holders of the Equity Units at the rate of 7.75% per year on the stated amount of \$100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. As of March 31, 2022, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of March 31, 2022 and December 31, 2021 the purchase contract liability was \$113.3 million and \$129.4 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of \$16.7 million and zero were made during the three months ended March 31, 2022 and March 31, 2021, respectively.

Refer to Note 4, "Earnings Per Share," for additional information regarding our application of diluted EPS to the Equity Units. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million. Had we settled the remaining purchase contract payment balance in shares at March 31, 2022, we would have issued approximately 4.0 million shares.

6. Gas in Storage

We use both the LIFO inventory methodology and the weighted-average cost methodology to value natural gas in storage. Gas Distribution Operations prices natural gas storage injections at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference between current projected replacement cost and the LIFO cost for quantities of gas temporarily withdrawn from storage is recorded as a temporary LIFO liquidation credit or debit within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, we expect interim variances in LIFO layers to be replenished by year end. We had a temporary LIFO liquidation debit of \$12.7 million and zero as of March 31, 2022 and December 31, 2021, respectively, for certain gas distribution companies recorded within "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

7. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas has agreed to change the depreciation methodology for its calculation of depreciation rates, which will reduce depreciation expense and subsequent revenues and cash flows once new rates become effective, subject to approval by the IURC.

Columbia of Ohio regulatory filing update

On Wednesday, April 6, 2022, the PUCO Staff issued its Staff Report in Columbia of Ohio's base rate case, filed on June 21, 2021, which was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. Columbia of Ohio's application requested a rate increase approximating a 21.3% or \$221.4 million increase in revenue per year. The Staff Report recommended a rate increase of 4.0% - 6.3% or \$35.2 million to \$57.6 million increase in revenue per year. The Staff recommended adjustments include, but are not limited to, plant assets, COVID-19 deferrals and environmental remediation costs. We are currently reviewing the Staff's recommendations and will file our written objections to the Staff report on May 6, 2022.

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 joint ventures and the amount included in regulated rates to recover our approved investments in consolidated joint ventures. 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 expense" on the Condensed Statements of Consolidated Income (unaudited). We recorded a credit to depreciation expense in the amount of \$2.9 million and zero for the three months ended March 31, 2022 and March 31, 2021, respectively, related to the regulatory deferral of income (loss) associated with our joint ventures, which is not included in current rates.

8. 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:

<i>(in millions)</i>	March 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current ⁽¹⁾				
Derivatives designated as hedging instruments	\$ —	\$ 68.1	\$ —	\$ 136.4
Derivatives not designated as hedging instruments	39.5	1.2	10.6	0.4
Total	\$ 39.5	\$ 69.3	\$ 10.6	\$ 136.8
Noncurrent ⁽²⁾				
Derivatives designated as hedging instruments	\$ —	\$ —	\$ —	\$ —
Derivatives not designated as hedging instruments	47.6	1.8	13.8	7.4
Total	\$ 47.6	\$ 1.8	\$ 13.8	\$ 7.4

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

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

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

utility. The objective of our commodity price risk programs is to mitigate the gas cost variability, for us or 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, 2022 and December 31, 2021, we had 117.2 MMDth and 124.5 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, 2022, the remaining terms of these instruments range from one to five years.

All gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's quarterly GCA mechanism. These instruments are not designated as accounting hedges.

The following table summarizes the gains and losses associated with the commodity price risk programs:

<i>(in millions)</i>	March 31, 2022	December 31, 2021
Regulatory Assets		
Losses on commodity price risk programs	\$ 1.1	\$ 9.6
Regulatory Liabilities		
Gains on commodity price risk programs	111.9	34.2

Derivatives Designated as Hedging Instruments

Interest rate risk management. As of March 31, 2022, we have two forward-starting interest rate swaps with an aggregate notional value totaling \$500.0 million to hedge the variability in cash flows attributable to changes in the benchmark interest rate associated with forecasted debt issuances. These interest rate swaps are designated as cash flow hedges.

Cash flow hedges included in "Accumulated other comprehensive loss" on the Condensed Consolidated Balance Sheets (unaudited) were:

<i>(in millions)</i>	AOCI ⁽¹⁾	Amounts Expected to be Reclassified to Earnings During the Next 12 Months⁽¹⁾	Maximum Term
Interest Rate	\$ 47.0	0.3	368 months

⁽¹⁾ All amounts are net of tax.

The actual amounts reclassified from Accumulated other comprehensive loss to Net Income can differ from the estimate above due to market rate changes.

The gains and losses related to these swaps are recorded to AOCI. Upon issuance, we amortize the gains and losses 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, 2022 and 2021 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited).

If it becomes probable that a hedged forecasted transaction will no longer occur, the accumulated gains or losses on the derivative will be recognized currently in "Other, net" in the Condensed Statements of Consolidated Income (unaudited).

There were no amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships at March 31, 2022 and December 31, 2021.

Our derivative instruments measured at fair value as of March 31, 2022 and December 31, 2021 do not contain any credit-risk-related contingent features. Cash flows for derivative financial instruments are generally classified in cash flows from operating activities.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

9. 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, 2022 and December 31, 2021:

Recurring Fair Value Measurements March 31, 2022 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2022
Assets				
Risk management assets	\$ —	\$ 87.1	\$ —	\$ 87.1
Available-for-sale debt securities	—	156.7	—	156.7
Total	\$ —	\$ 243.8	\$ —	\$ 243.8
Liabilities				
Risk management liabilities	\$ —	\$ 71.1	\$ —	\$ 71.1
Total	\$ —	\$ 71.1	\$ —	\$ 71.1

Recurring Fair Value Measurements December 31, 2021 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2021
Assets				
Risk management assets	\$ —	\$ 24.4	\$ —	\$ 24.4
Available-for-sale debt securities	—	171.8	—	171.8
Total	\$ —	\$ 196.2	\$ —	\$ 196.2
Liabilities				
Risk management liabilities	\$ —	\$ 144.2	\$ —	\$ 144.2
Total	\$ —	\$ 144.2	\$ —	\$ 144.2

Risk Management Assets and Liabilities. Risk management assets and liabilities include interest rate swaps, 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.

[Table of Contents](#)

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, 2022 and December 31, 2021, 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.

Credit risk is considered in the fair value calculation of each of our forward-starting interest rate swaps, as described in Note 8, "Risk Management Activities." As they are based on observable data and valuations of similar instruments, the hedges are categorized within Level 2 of the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and we can settle the contracts at any time.

NIPSCO has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its 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 8, "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, 2022 and December 31, 2021, we recorded \$0.6 million and \$0.2 million, respectively, 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at March 31, 2022 and December 31, 2021 were:

March 31, 2022 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 47.0	\$ —	\$ (1.8)	\$ —	\$ 45.2
Corporate/Other debt securities	114.7	0.7	(3.3)	(0.6)	111.5
Total	\$ 161.7	\$ 0.7	\$ (5.1)	\$ (0.6)	\$ 156.7

December 31, 2021 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 52.8	\$ 0.1	\$ (0.4)	\$ —	\$ 52.5
Corporate/Other debt securities	116.5	3.7	(0.7)	(0.2)	119.3
Total	\$ 169.3	\$ 3.8	\$ (1.1)	\$ (0.2)	\$ 171.8

⁽¹⁾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 \$43.7 million and \$65.1 million, respectively, at March 31, 2022.

⁽²⁾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 \$36.2 million and \$35.4 million, respectively, at December 31, 2021.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were immaterial for the three months ended March 31, 2022 and 2021.

At March 31, 2022, approximately \$5.4 million of U.S. Treasury debt securities and approximately \$6.9 million of Corporate/Other debt securities have maturities of less than a year.

There are no material items in the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis as of March 31, 2022 and December 31, 2021.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including 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.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity" for additional information.

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, 2022, there was no change in the method or significant assumptions used to estimate the fair value of long-term debt.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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

<i>(in millions)</i>	Carrying Amount as of March 31, 2022	Estimated Fair Value as of March 31, 2022	Carrying Amount as of Dec. 31, 2021	Estimated Fair Value as of Dec. 31, 2021
Long-term debt (including current portion)	\$ 9,237.7	\$ 9,202.0	\$ 9,241.5	\$ 10,415.7

10. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2022 and 2021, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended March 31, 2022 and 2021 were 18.2% and 17.4%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state income taxes and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The increase in the three month effective tax rate of 0.8% in 2022 compared to 2021 is primarily attributed to the tax effect of the discrete item in 2022 related to the pre-tax book income recorded for the Columbia of Massachusetts insurance proceeds, offset by increased amortization of excess deferred federal income tax liabilities, lower state income taxes, and increased deduction for AFUDC equity in 2022.

There were no material changes recorded in 2022 to our uncertain tax positions recorded as of December 31, 2021.

11. 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, 2022, we contributed \$0.6 million to our pension plans and \$5.1 million 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, 2022 and 2021:

Three Months Ended March 31, <i>(in millions)</i>	Pension Benefits		OPEB	
	2022	2021	2022	2021
Components of Net Periodic Benefit (Income) Cost⁽¹⁾				
Service cost	\$ 7.1	\$ 7.6	\$ 1.6	\$ 1.5
Interest cost	9.4	7.7	3.0	2.5
Expected return on assets	(22.9)	(25.8)	(4.0)	(3.8)
Amortization of prior service credit	—	—	(0.6)	(0.6)
Recognized actuarial loss	4.5	5.3	0.7	1.2
Settlement loss	—	3.3	—	—
Total Net Periodic Benefit (Income) Cost	\$ (1.9)	\$ (1.9)	\$ 0.7	\$ 0.8

⁽¹⁾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).

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

12. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. We control decisions that are significant to Rosewater and Indiana Crossroads Wind's ongoing operations and economic results. Therefore, we have concluded that we are the primary beneficiary and have consolidated both.

Members of the respective joint ventures are NIPSCO (who is the managing member) and tax equity partners. 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. Once the tax equity partner has earned their negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the respective joint venture. NIPSCO has an obligation to purchase, through a PPA at established market rates, 100% of the electricity generated by the joint ventures.

Rosewater

Rosewater owns and operates 102 MW of nameplate capacity wind generation assets. NIPSCO and the tax equity partner have made total contributions of \$170.1 million, per the equity capital contribution agreement. NIPSCO and the tax equity partner contributed cash and NIPSCO also assumed an obligation to the developer of the wind generation assets representing the remaining economic interest, which comes due in 2023. The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Rosewater.

Indiana Crossroads Wind

Indiana Crossroads Wind owns and operates 302 MW of nameplate capacity wind generation assets. NIPSCO and the tax equity partner have made total contributions of \$511.8 million, per the equity capital contribution agreement. NIPSCO and the tax equity partner contributed cash and NIPSCO also assumed an obligation to the developer of the wind generation assets representing the remaining economic interest, which comes due in 2023. The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Indiana Crossroads Wind.

The following table displays the Noncontrolling interest in consolidated subsidiaries included in the Condensed Consolidated Balance Sheets (unaudited):

<i>(in millions)</i>	March 31, 2022		December 31, 2021	
Rosewater	\$	88.8	\$	88.2
Indiana Crossroads Wind		240.7		237.4
Total	\$	329.5	\$	325.6

The following table displays the Net income attributable to noncontrolling interest included in the Condensed Statements of Consolidated Income (unaudited):

<i>(in millions)</i>	Three Months Ended March 31,			
	2022		2021	
Rosewater	\$	1.1	\$	1.0
Indiana Crossroads Wind		3.4		—
Total	\$	4.5	\$	1.0

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.

[Table of Contents](#)

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, 2022				December 31, 2021			
	Rosewater		Indiana Crossroads Wind		Rosewater		Indiana Crossroads Wind	
	\$		\$		\$		\$	
Net Property, Plant and Equipment	\$	168.7	\$	521.7	\$	170.1	\$	525.8
Current assets		8.8		18.6		6.2		8.1
Total assets ⁽¹⁾		177.5		540.3		176.3		533.9
Current liabilities		4.3		12.4		2.5		7.5
Asset retirement obligations		5.7		14.9		5.7		14.8
Total liabilities	\$	10.0	\$	27.3	\$	8.2	\$	22.3

⁽¹⁾The assets of Rosewater and Indiana Crossroads 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 Rosewater and Indiana Crossroads do not have recourse, to the general credit of the primary beneficiary.

13. Long-Term Debt

On April 1, 2022, we repaid \$20.0 million of 7.99% medium term notes at maturity. The remaining \$29.0 million of 7.99% medium term notes outstanding March 31, 2022 and December 31, 2021 are expected to be repaid in May 2027 at maturity.

14. Short-Term Borrowings

We generate short-term borrowings through several sources, described in further detail 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. On February 18, 2022, we extended the termination date of our revolving credit facility to February 18, 2027. We had no outstanding borrowings under this facility as of March 31, 2022 and December 31, 2021.

Commercial Paper Program. Our commercial paper program has a program limit of up to \$1.5 billion. We had \$165.0 million and \$560.0 million of commercial paper outstanding with weighted-average interest rates of 0.75% and 0.24% as of March 31, 2022 and December 31, 2021, respectively.

Accounts Receivable Transfer Programs. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania each maintain a receivables agreement whereby they may transfer their customer accounts receivables to third-party financial institutions through wholly owned and consolidated special purpose entities. The three agreements expire between June 2022 and October 2022 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, 2022, the maximum amount of debt that could be recognized related to our accounts receivable programs is \$480.0 million.

We had \$355.0 million and zero short-term borrowings related to the securitization transactions as of March 31, 2022 and December 31, 2021.

For the three months ended March 31, 2022 and 2021, \$355.0 million and zero, respectively, were recorded as cash flows from 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 \$0.3 million and \$0.4 million for the three months ended March 31, 2022 and 2021, 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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

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, 2022 and December 31, 2021, we had issued stand-by letters of credit of \$14.4 million and \$18.9 million, respectively.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At March 31, 2022, our guarantees for BTAs totaled \$485.2 million. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- E. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover, and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident").

We have been subject to inquiries and investigations by government authorities and regulatory agencies regarding the Greater Lawrence Incident. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office for the District of Massachusetts to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident, as described below. The Company and Columbia of Massachusetts entered into an agreement with the Massachusetts Attorney General's Office (among other parties) to resolve the Massachusetts DPU and the Massachusetts Attorney General's Office investigations, that was approved by the Massachusetts DPU on October 7, 2020 as part of the sale of the Massachusetts Business to Eversource.

U.S. Department of Justice Investigation. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident. Columbia of Massachusetts agreed to plead guilty in the United States District Court for the District of Massachusetts (the "Court") to violating the Natural Gas Pipeline Safety Act (the "Plea Agreement"), and the Company entered into a Deferred Prosecution Agreement (the "DPA").

On March 9, 2020, Columbia of Massachusetts entered its guilty plea pursuant to the Plea Agreement. The Court sentenced Columbia of Massachusetts on June 23, 2020, in accordance with the terms of the Plea Agreement (as modified). On June 23, 2021, the Court terminated Columbia of Massachusetts' period of probation under the Plea Agreement, which marked the completion of all terms of the Plea Agreement.

Under the DPA, the U.S. Attorney's Office agreed to defer prosecution of the Company in connection with the Greater Lawrence Incident for a three-year period (which three-year period may be extended for twelve (12) months upon the U.S. Attorney's Office's determination of a breach of the DPA) subject to certain obligations of the Company, including, but not limited to, the Company's agreement, as to each of the Company's subsidiaries involved in the distribution of gas through pipeline facilities in Massachusetts, Indiana, Ohio, Pennsylvania, Maryland, Kentucky and Virginia to implement and adhere to each of the recommendations from the NTSB stemming from the Greater Lawrence Incident. Pursuant to the DPA, if the Company complies with all of its obligations under the DPA, the U.S. Attorney's Office will not file any criminal charges against the Company related to the Greater Lawrence Incident.

Private Actions. Various lawsuits, including several purported class action lawsuits, were filed by various affected residents or businesses in Massachusetts state courts against the Company and/or Columbia of Massachusetts in connection with the Greater Lawrence Incident.

On March 12, 2020, the Court granted final approval of the settlement of the consolidated class action. With respect to claims not included in the consolidated class action, many of the asserted wrongful death and bodily injury claims have settled, and we continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

Shareholder Derivative Lawsuit. On April 28, 2020, a shareholder derivative lawsuit was filed by the City of Detroit Police and Fire Retirement System in the United States District Court for the District of Delaware against certain of the Company's current and former directors, alleging state-law claims for breaches of fiduciary duty with respect to the pipeline safety

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

management systems relating to the distribution of natural gas prior to the Greater Lawrence Incident and also including federal-law claims related to our proxy statement disclosures regarding our safety systems. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of any unjust enrichment. The defendants filed a motion to dismiss the lawsuit and oral argument was held on March 2, 2021. On March 9, 2021, the district court granted the defendants' motion to dismiss. It dismissed the federal-law claims with prejudice for failure to state a claim on which relief can be granted and declined to exercise jurisdiction over the state-law claims, which were dismissed without prejudice.

Following the dismissal of the federal court action, on April 29, 2021, the same plaintiff filed a shareholder derivative lawsuit in the Delaware Court of Chancery against certain of our current and former directors. The new complaint alleged a single count for breach of fiduciary duty, and no longer alleged disclosure violations or breaches of federal securities laws. The complaint related to substantially the same matters as those alleged in the dismissed federal derivative complaint. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of compensation by the individual defendants. On May 19, 2021, the defendants filed a motion to dismiss the lawsuit, and on July 2, 2021, they filed their opening brief in support of the motion. On August 26, 2021, rather than respond to the defendants' motion to dismiss and opening brief, the plaintiff filed an amended complaint. Like the original complaint in the Delaware Court of Chancery, the amended complaint alleges a single count for breach of fiduciary duty, based on substantially similar allegations, and seeks substantially similar remedies. On September 10, 2021, the defendants filed a motion to dismiss. Briefing on the defendants' motion to dismiss was completed on January 10, 2022, and oral argument on the defendants' motion to dismiss took place on February 3, 2022. Because of the preliminary nature of this lawsuit, we are not able to estimate a loss or range of loss, if any, that may be incurred in connection with this matter at this time.

Other Claims and Proceedings. We are also party to certain other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, none of which we believe to be individually material at this time.

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. If one or more other 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.

C. Other Greater Lawrence Incident Matters. In connection with the Greater Lawrence Incident, Columbia of Massachusetts, in cooperation with the Massachusetts Governor's office, replaced the entire affected pipeline system. We invested approximately \$258 million of capital spend for the pipeline replacement; this work was completed in 2019. We maintain property insurance for gas pipelines and other applicable property. Columbia of Massachusetts filed a proof of loss with its property insurer for the pipeline replacement. In January 2020, we filed a lawsuit against the property insurer, seeking payment of our property claim. On October 27, 2021, NiSource and the property insurer filed cross motions for summary judgment, each asking the court to determine whether there was coverage under the policy. After the cross motions for summary judgment were fully briefed, we reached an agreement to settle the coverage dispute for \$105.0 million. After settlement payment was made, NiSource and its property insurer stipulated to the dismissal of the lawsuit on March 16, 2022.

D. 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, 2022 and December 31, 2021, we had recorded a liability of \$91.3 million and \$91.1 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities" 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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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 the 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, NIPSCO 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 Gas Distribution Operations 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. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2021. Our total estimated liability related to the facilities subject to remediation was \$84.8 million and \$85.1 million at March 31, 2022 and December 31, 2021, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. We believe that it is reasonably possible that remediation costs could vary by as much as \$17 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.

CCRs. We are in compliance with the EPA's final rule for the regulation of CCRs. The CCR rule also resulted in 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. NIPSCO will also continue to work with the EPA and the Indiana Department of Environmental Management to obtain administrative approvals associated with the CCR rule. In the event that the approvals are not obtained, future operations could be impacted. We cannot estimate the likelihood that the agencies will deny approvals or the financial impact on us if these approvals are not obtained.

E. Other Matters.

Generation Transition. 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. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC, successful execution by NIPSCO of an agreement with a tax equity partner and timely completion of construction. NIPSCO has received IURC approval for all of its BTAs and PPAs. NIPSCO and the tax equity partner are obligated to make cash contributions to the joint venture that acquires the project at the date construction is substantially complete. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. 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 from the tax equity partner the remaining interest in the joint venture.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

16. Accumulated Other Comprehensive Loss

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

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2022	\$ 2.1	\$ (122.5)	\$ (6.4)	\$ (126.8)
Other comprehensive income (loss) before reclassifications	(5.9)	47.0	—	41.1
Amounts reclassified from accumulated other comprehensive income (loss)	0.2	—	0.1	0.3
Net current-period other comprehensive income (loss)	(5.7)	47.0	0.1	41.4
Balance as of March 31, 2022	\$ (3.6)	\$ (75.5)	\$ (6.3)	\$ (85.4)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2021	\$ 6.0	\$ (147.9)	\$ (14.8)	\$ (156.7)
Other comprehensive income (loss) before reclassifications	(2.2)	84.6	(1.4)	81.0
Amounts reclassified from accumulated other comprehensive income (loss)	(0.3)	—	0.5	0.2
Net current-period other comprehensive income (loss)	(2.5)	84.6	(0.9)	81.2
Balance as of March 31, 2021	\$ 3.5	\$ (63.3)	\$ (15.7)	\$ (75.5)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

17. Other, Net

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

<i>(in millions)</i>	Three Months Ended March 31,	
	2022	2021
Interest income	\$ 0.9	\$ 0.9
AFUDC equity	3.0	1.5
Pension and other postretirement non-service benefit	7.6	8.5
Miscellaneous	(0.6)	(0.4)
Total Other, net	\$ 10.9	\$ 10.5

18. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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. We use operating income as our primary measurement for each of the reported segments and make 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

<i>(in millions)</i>	Three Months Ended March 31,	
	2022	2021
Operating Revenues		
Gas Distribution Operations		
Unaffiliated	\$ 1,436.7	\$ 1,135.8
Intersegment	3.1	3.1
Total	1,439.8	1,138.9
Electric Operations		
Unaffiliated	430.1	402.5
Intersegment	0.2	0.2
Total	430.3	402.7
Corporate and Other		
Unaffiliated	6.5	7.3
Intersegment	113.5	103.9
Total	120.0	111.2
Eliminations	(116.8)	(107.2)
Consolidated Operating Revenues	\$ 1,873.3	\$ 1,545.6
Operating Income (Loss)		
Gas Distribution Operations	\$ 510.8	\$ 346.9
Electric Operations	99.2	87.9
Corporate and Other	(9.7)	(1.6)
Consolidated Operating Income	\$ 600.3	\$ 433.2

19. Subsequent Event

In April 2022, Dunn's Bridge I reached a construction milestone under the BTA, triggering our obligation to make a milestone payment to the developer in the amount of \$71.9 million. We made this payment in April 2022.

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	34
Summary of Consolidated Financial Results	36
Results and Discussion of Segment Operations	36
Gas Distribution Operations	37
Electric Operations	40
Liquidity and Capital Resources	44
Regulatory, Environmental and Safety Matters	48
Market Risk Disclosures	51
Other Information	52

[Table of Contents](#)

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, 2021.

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: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) embark 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 conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. The Safety Management System ("SMS") is an established operating model within NiSource. With the continued support and advice from our Quality Review Board (a panel of third parties with safety operations expertise engaged by management to advise on safety matters), we are continuing to mature our SMS processes, capabilities and talent as we collaborate within and across industries to enhance safety and reduce operational risk. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Your Energy, Your Future: Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, as described in our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, but we are facing challenges as described below. As of March 31, 2022, we have executed and received IURC approval for BTAs and PPAs with a combined nameplate capacity of 1,950 MW and 1,380 MW, respectively, under the 2018 Plan. Further, we have placed three wind projects into service and completed the retirement of R.M. Schahfer Generating Station Units 14 and 15. We anticipate delays on our previously announced solar and storage projects due to several factors, including a recently announced U.S. Department of Commerce investigation. In connection with these delays, we currently expect to retire R.M. Schahfer's remaining two coal units by the end of 2025. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion and Part II, Item 1A. Risk Factors.

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 lays out a timeline to retire the Michigan City Generating Station to occur between 2026 and 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 natural gas peaking unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. The planned retirement of the two vintage gas peaking units at the R.M. Schahfer Generating Station is expected to occur between 2025 and 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval. We are continuing to evaluate potential projects under the 2021 Plan.

NiSource Next: Starting in 2021, we optimized our workforce by redefining roles to sharpen our focus on safety and risk mitigation, operational rigor, and adherence to process and procedures, as well as implemented consistent span of control for leadership to increase individual responsibility and clear accountability. Additionally, we began to make advancements across our operations to improve safety, operational efficiencies, and customer satisfaction through continued standardization of work processes, the implementation of new mobile technology to provide real-time access to information while serving our customers and enhanced customer self-service options to better meet customer expectations. These enhancements set the

[Table of Contents](#)

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

NiSource Inc.

foundation for 2022 and beyond, to continue improving safety and customer experience through analytics and significant technology investments.

Economic Environment: We are monitoring risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of decreased construction labor productivity in the event of disruptions in the availability of materials. We are also seeing increasing prices associated with certain materials and supplies. To the extent that delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion and Part II, Item 1A. Risk Factors.

NIPSCO is experiencing a rail service shortage in deliveries of coal, particularly to its Michigan City Generating Station, and the primary rail carrier for that generating station is unable to provide assurance of adequate future service to maintain coal inventory. If the lack of adequate coal deliveries to any of our coal-fired generating facilities continues for an extended period into the summer, inventories could be depleted to a level that prevents the generating station from running, and NIPSCO would need to rely on market purchases of replacement power, which could increase the cost of electricity for NIPSCO's customers.

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 competitive and attractive appeal for potential recruits. With a focus on workforce planning, we are creating flexible work arrangements where we can, and being anticipatory in evaluating our talent footprint for the future to ensure we have the right people, in the right role, and at the right time. To the extent we are unable to execute on our workforce planning initiatives and experience increased employee and contractor costs, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

We have seen an increase in natural gas costs as the spot market for natural gas has substantially increased since the start of 2022. Low levels of gas in storage, continued liquified natural gas demand to ship U.S. supplies to Europe, and the slow ramp up in domestic production have contributed to the steep rise in gas commodity costs, which we expect to have an effect on customer bills through 2022. For the quarter ended March 31, 2022, we have not seen this increase have a material impact on our results of operations. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and " - Market Risk Disclosures."

[Table of Contents](#)

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, 2022 and 2021 are presented below:

<i>(in millions, except per share amounts)</i>	Three Months Ended March 31,		
	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 1,873.3	\$ 1,545.6	\$ 327.7
Operating Expenses			
Cost of energy	706.7	476.8	(229.9)
Other Operating Expenses	566.3	635.6	69.3
Total Operating Expenses	1,273.0	1,112.4	(160.6)
Operating Income	600.3	433.2	167.1
Total Other Deductions, net	(72.8)	(74.1)	1.3
Income Taxes	96.2	62.6	(33.6)
Net Income	431.3	296.5	134.8
Net income attributable to noncontrolling interest	4.5	1.0	(3.5)
Net Income Attributable to NiSource	426.8	295.5	131.3
Preferred dividends	(13.8)	(13.8)	—
Net Income Available to Common Shareholders	413.0	281.7	131.3
Earnings Per Share			
Basic Earnings Per Share	\$ 1.02	\$ 0.72	\$ 0.30
Diluted Earnings Per Share	\$ 0.94	\$ 0.72	\$ 0.22

The majority of the cost of energy in both 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 during 2022 was primarily due to higher revenues from outcomes of gas base rate proceedings and regulatory capital programs, as well as an insurance settlement related to the Greater Lawrence Incident, offset by higher costs of energy and income taxes in 2022 compared to the 2021. For additional information on the insurance settlement see Note 15, "Other Commitments and Contingencies - C. Other Greater Lawrence Incident Matters" 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 Gas and Electric Operations in this Management's Discussion.

Other Deductions, net

Other deductions, net in 2022 is comparable to the same period in 2021. See Note 13, "Long-Term Debt," Note 14, "Short-Term Borrowings," and Note 11, "Pension and Other Postretirement Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 10, "Income Taxes," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments: Gas Distribution Operations and Electric Operations. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three months ended March 31, 2022 and 2021 are presented below:

<i>(in millions)</i>	Three Months Ended March 31,		
	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 1,439.8	\$ 1,138.9	\$ 300.9
Operating Expenses			
Cost of energy	589.1	379.0	(210.1)
Operation and maintenance	277.3	248.8	(28.5)
Depreciation and amortization	100.7	92.9	(7.8)
Loss (gain) on sale of fixed assets and impairments, net	(105.0)	8.1	113.1
Other taxes	66.9	63.2	(3.7)
Total Operating Expenses	929.0	792.0	(137.0)
Operating Income	\$ 510.8	\$ 346.9	\$ 163.9
Revenues			
Residential	\$ 977.6	\$ 782.3	\$ 195.3
Commercial	357.5	272.9	84.6
Industrial	68.1	58.2	9.9
Off-System	18.7	14.4	4.3
Other	17.9	11.1	6.8
Total	\$ 1,439.8	\$ 1,138.9	\$ 300.9
Sales and Transportation (MMDth)			
Residential	122.9	118.4	4.5
Commercial	79.9	74.3	5.6
Industrial	135.1	136.4	(1.3)
Off-System	4.3	5.4	(1.1)
Other	0.2	0.2	—
Total	342.4	334.7	7.7
Heating Degree Days	2,841	2,703	138
Normal Heating Degree Days	2,824	2,854	(30)
% Colder (Warmer) than Normal	1 %	(5)%	
% Colder than 2021	5 %		
Gas Distribution Customers			
Residential	2,980,965	2,965,004	15,961
Commercial	254,876	254,188	688
Industrial	4,920	4,965	(45)
Other	3	3	—
Total	3,240,764	3,224,160	16,604

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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2022 compared to the same period in 2021 are presented below.

	Favorable (Unfavorable)
	Three Months Ended
	March 31, 2022 vs 2021
Changes in Operating Revenues (in millions)	
New rates from base rate proceedings and regulatory capital programs	61.1
The effects of colder weather in 2022 compared to 2021	10.5
Higher revenue related to off system sales	2.7
The effects of customer growth	2.3
Higher revenue due to the effects of resuming common credit mitigation practices	1.8
Decreased customer usage	(4.8)
Other	2.7
Change in operating revenues (before cost of energy and other tracked items)	\$ 76.3
Operating revenues offset in operating expense	
Higher cost of energy billed to customers	210.1
Higher tracker deferrals within operation and maintenance, depreciation, and tax	14.5
Total change in operating revenues	\$ 300.9

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 Gas Distribution 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, 2022 compared to the same period in 2021 is primarily attributable to the effects of colder weather.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution 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 Gas Distribution 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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2022 compared to the same period in 2021 are presented below.

	Favorable (Unfavorable)
	Three Months Ended
	March 31, 2022 vs 2021
Changes in Operating Expenses (in millions)	
Property insurance settlement related to the Greater Lawrence Incident ⁽¹⁾	105.0
The loss on sale and expenses related to the Massachusetts Business in 2021	12.2
Lower NiSource Next program expenses	4.6
Higher employee and administrative related expenses	(12.7)
Higher depreciation and amortization expense	(7.8)
Higher outside services expenses	(5.3)
Higher materials and supplies expense	(3.4)
Other	(5.0)
Change in operating expenses (before cost of energy and other tracked items)	\$ 87.6
Operating expenses offset in operating revenue	
Higher cost of energy billed to customers	(210.1)
Higher tracker deferrals within operation and maintenance, depreciation, and tax	(14.5)
Total change in operating expense	(137.0)

⁽¹⁾See Note 15, "Other Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three months ended March 31, 2022 and 2021 are presented below:

<i>(in millions)</i>	Three Months Ended March 31,		
	2022	2021	Favorable (Unfavorable)
Operating Revenues	430.3	\$ 402.7	\$ 27.6
Operating Expenses			
Cost of energy	117.6	97.8	(19.8)
Operation and maintenance	116.6	119.1	2.5
Depreciation and amortization	82.9	83.4	0.5
Other taxes	14.0	14.5	0.5
Total Operating Expenses	331.1	314.8	(16.3)
Operating Income	\$ 99.2	\$ 87.9	\$ 11.3
Revenues			
Residential	\$ 138.5	\$ 129.2	\$ 9.3
Commercial	134.5	122.9	11.6
Industrial	130.0	123.1	6.9
Wholesale	2.6	3.4	(0.8)
Other	24.7	24.1	0.6
Total	\$ 430.3	\$ 402.7	\$ 27.6
Sales (GWh)			
Residential	819.2	804.6	14.6
Commercial	885.3	867.9	17.4
Industrial	2,007.8	2,063.3	(55.5)
Wholesale	4.4	32.1	(27.7)
Other	25.1	27.3	(2.2)
Total	3,741.8	3,795.2	(53.4)
Electric Customers			
Residential	423,177	419,582	3,595
Commercial	58,092	57,538	554
Industrial	2,135	2,156	(21)
Wholesale	712	720	(8)
Other	2	2	—
Total	484,118	479,998	4,120

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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2022 compared to the same period in 2021 are presented below.

	Favorable (Unfavorable)
	Three Months Ended
	March 31, 2021 vs 2021
Changes in Operating Revenues (in millions)	
PPA revenue from renewable joint venture projects	\$ 8.5
The effects of customer growth	1.3
New rates from regulatory capital and DSM programs	1.1
Decreased fuel handling costs	1.1
Decreased customer usage	(3.2)
Other	1.4
Change in operating revenues (before cost of energy and other tracked items)	\$ 10.2
Operating revenues offset in operating expense	
Higher cost of energy billed to customers	19.8
Lower tracker deferrals within operation and maintenance, depreciation and tax	(2.4)
Total change in operating revenues	\$ 27.6

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year 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 heating or cooling degree day comparison.

Sales

The decrease in total volumes sold for the three months ended March 31, 2022 compared to the same period in 2021 was primarily attributable to decreased usage primarily by industrial customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides 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 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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2022 compared to the same period in 2021 are presented below.

Changes in Operating Expenses (in millions)	Favorable (Unfavorable)	
	Three Months Ended	
	March 31, 2022 vs 2021	
Lower outside services expenses	\$	6.1
Lower depreciation and amortization expense driven by the joint venture depreciation adjustment ⁽¹⁾		3.2
Lower materials and supplies expenses		2.5
Renewable joint venture project expenses		(6.9)
Effects of environmental recoveries in 2021		(5.2)
Other		1.4
Change in operating expenses (before cost of energy and other tracked items)	\$	1.1
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers		(19.8)
Lower tracker deferrals within operation and maintenance, depreciation and tax		2.4
Total change in operating expense	\$	(16.3)

⁽¹⁾See Note 7, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information.

Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan, which outlines plans to retire its remaining coal-fired generation by 2028, to be replaced by lower-cost, reliable and cleaner options. We expect to have capital investment requirements of approximately \$2.0 billion, primarily between 2022 and 2024, with any remainder expected in 2025, to replace the generation capacity of R.M. Schahfer Generating Station's coal-fired units. We retired R.M. Schahfer Generating Station Units 14 and 15 on October 1, 2021. The remaining two coal units are currently expected to be retired by the end of 2025. See additional discussion in Part II, Item 1A. Risk Factors. See "Expected Project Delays" discussion, below, for anticipated barriers to the success of our electric generation transition.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from this generation to third parties because this helps keep our energy more affordable for our customers. 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. Our current replacement program will be augmented by the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

[Table of Contents](#)

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

**NiSource Inc.
Electric Operations**

Under our current replacement plan, we have placed three wind projects into service, totaling approximately 804 MW of nameplate capacity. The following table summarizes the remaining executed PPAs and BTAs from our generation transition that have yet to begin commercial operations. All announced projects have received IURC approval.

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)	Original Targeted Construction Completion	Estimated Construction Completion
Dunn's Bridge I ⁽¹⁾	BTA	Solar	265	—	Q4 2022	2023
Indiana Crossroads ⁽¹⁾	BTA	Solar	200	—	Q4 2022	2023
Dunn's Bridge II ⁽¹⁾	BTA	Solar & Storage	435	75	Q4 2023	2023 - 2024
Cavalry ⁽¹⁾	BTA	Solar & Storage	200	60	Q4 2023	2023 - 2024
Fairbanks ⁽¹⁾	BTA	Solar	250	—	Q3 2023	2024 - 2025
Elliott ⁽¹⁾	BTA	Solar	200	—	Q2 2023	2024 - 2025
Indiana Crossroads II	15 year PPA	Wind	204	—	Q4 2023	2023
Brickyard	20 year PPA	Solar	200	—	Q4 2022	2024
Greensboro	20 year PPA	Solar & Storage	100	30	Q4 2022	2023 - 2024
Gibson	22 year PPA	Solar	280	—	Q2 2023	2024
Green River	20 year PPA	Solar	200	—	Q2 2023	2024

⁽¹⁾Ownership of the facility will be transferred to joint ventures whose members include NIPSCO and an unrelated tax equity partner.

Expected Project Delays. Compared to the previously disclosed targeted construction completion dates in our Annual Report on Form 10-K for the year ended December 31, 2021, we estimate delays for most projects to range from six to 18 months, resulting in the majority of our projects, and investment, being in service in 2023 and 2024. We do not currently anticipate any delays to the 2023 in-service date of our outstanding wind energy project. The expected delays and inflationary cost pressures communicated from the developers of our solar and storage projects are primarily due to (i) unavailability of solar panels and other uncertainties related to the pending U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd., (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring potential delays communicated by the developers of our renewable energy projects related to local permitting processes and obtaining interconnection rights. Preliminary findings from the DOC Investigation, including potential tariff amounts, are expected to be released in August 2022, with a final decision expected between January 2023 and March 2023. We have received and are evaluating several notices of possible force majeure from developers in connection with solar panel availability. The resolution of these issues, including the final conclusion of the DOC Investigation will determine what additional costs or delays our solar projects will be subject to as a result of any tariffs imposed. If any of these impacts result in cost increases for certain projects, such potential impacts are expected to result in the need for us to seek additional regulatory review and approvals. Additionally, significant changes to project costs and schedules as a result of these factors could impact the viability of the projects.

We, along with the developers of these generation projects, are continuously evaluating potential impacts to the targeted completion date of each project. Delays to the completion dates of our projects could also include delays in the financial return of certain investments and impact the overall timing of our electric generation transition. Although we are not currently expecting delays to extend the completion dates of our six solar and storage BTA projects beyond the currently planned sunset of investment tax credits at the end of 2025, if such delays occur, they could impact the economic viability of the projects.

For additional discussion on the foregoing matters, see Part II, Item 1A. Risk Factors.

[Table of Contents](#)

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 \$1.5 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 February 18, 2022, we amended our revolving credit agreement to, among other things, extend its term to February 18, 2027. The commercial paper program and credit facility provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves our desired capital structure. We utilize an ATM equity program that allows us to issue and sell shares of our common stock up to an aggregate issuance of \$750.0 million through December 31, 2023. As of March 31, 2022, the ATM program (including the impact of the forward sale agreement) had approximately \$300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for more information on our ATM program and Equity Units.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2022 and beyond.

Greater Lawrence Incident: As discussed in Note 15, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited), due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim related to the Greater Lawrence Incident will not continue to have an adverse impact on our cash flows. Through income generated from operating activities, amounts available under the short-term revolving credit facility, and our ability to access capital markets, we believe we have adequate capital available to settle remaining anticipated claims associated with the Greater Lawrence Incident.

Operating Activities

Net cash from operating activities for the three months ended March 31, 2022 was \$579.8 million, an increase of \$131.5 million compared to the three months ended March 31, 2021. This increase was primarily driven by year over year increased cash inflows related to the collection of under-recovered gas and fuel costs.

Investing Activities

Net cash used for investing activities for the three months ended March 31, 2022 was \$370.4 million, a decrease of \$31.4 million compared to the three months ended March 31, 2021. Our current year investing activities were comprised of increased capital expenditures related to system growth and reliability, offset by the property insurance settlement related to the Greater Lawrence Incident.

As we evaluate adjustments to renewable generation project timing, the company remains on track to make capital investments totaling approximately \$8 billion during the 2022-2024 period. We expect to have capital investment requirements of approximately \$2.0 billion, primarily between 2022 and 2024, with any remainder expected in 2025, to replace the generation capacity of R.M. Schahfer Generating Station's coal-fired units. We have flexibility in the timing of other gas and electric infrastructure capital investments that can allow adjustments to compensate for delays in renewable generation projects. These forecasted capital investments and those included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates. For example, the timing and ultimate cost associated with solar and battery storage capital expenditures may vary due to the U.S. Department of Commerce's investigation into an Antidumping and Countervailing Duties circumvention claim on solar cells and panels supplied from Malaysia, Vietnam, Thailand and Cambodia. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion and Part II, Item 1A. Risk Factors.

[Table of Contents](#)

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

NiSource Inc.

Regulatory Capital Programs. We replace pipe and modernize our gas infrastructure to enhance safety and reliability by reducing leaks, which subsequently reduces GHG emissions. In 2022, 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 currently in rates or pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered ⁽¹⁾	Rates Effective
Columbia of Ohio ⁽²⁾	IRP - 2022	\$ 25.0	\$ 232.9	1/21-12/21	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe, (3) natural gas risers prone to failure and (4) installation of AMR devices.	May 2022
Columbia of Ohio ⁽²⁾	CEP - 2022	32.2	253.5	1/21-12/21	Assets not included in the IRP.	September 2022
NIPSCO - Gas	TDSIC 4	17.2	77.5	7/21-12/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	July 2022
NIPSCO - Gas	FMCA 7	0.4	32.8	4/21-9/21	Project costs to comply with federal mandates.	April 2022
Columbia of Virginia ⁽³⁾	SAVE - 2022	4.0	63.0	1/22-12/22	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2022
Columbia of Maryland	STRIDE - 2022	\$ 1.3	\$ 17.5	1/22-12/22	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2022
NIPSCO - Electric ⁽⁴⁾	TDSIC - 9	\$ 0.2	\$ 42.7	2/21-5/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	February 2022
NIPSCO - Electric ⁽⁵⁾	TDSIC - 1	\$ 10.4	\$ 148.5	6/21-1/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2022

⁽¹⁾Programs do not include any costs already included in base rates.

⁽²⁾The January through March 2021 investments included in these filings are also included in the pending Columbia of Ohio rate case. The infrastructure filings will be adjusted to reflect the final rate case outcome.

⁽³⁾Columbia of Virginia filed its application to amend and extend its SAVE program with the Virginia SCC on August 12, 2021, requesting approval of a two-year SAVE program for calendar years 2022-2023 that includes incremental capital investments of \$63.0 million and \$72.0 million, respectively. The Commission approved the Company's application in its December 6, 2021 Order Approving SAVE Rider.

⁽⁴⁾On April 1, 2021, NIPSCO filed a notice with the IURC that it intended to terminate its current Electric TDSIC plan effective May 31, 2021. NIPSCO filed the TDSIC-9 petition on September 28, 2021, with capital investment through the plan termination date of May 2021, and received an order on January 26, 2022 approving TDSIC-9.

⁽⁵⁾NIPSCO filed for a new electric TDSIC plan on June 1, 2021. An order approving NIPSCO's new electric TDSIC plan was received on December 28, 2021. NIPSCO filed its first tracker, TDSIC - 1, on March 30, 2022. An order is expected in July 2022 with rates requested to be effective August 2022.

In 2022, NIPSCO filed additional petitions associated with the FMCA program to recover federally mandated compliance investments.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated \$40.0 million of federally mandated retirement costs. NIPSCO is requesting all associated accounting and ratemaking relief, including establishment of a periodic rate adjustment through the FMCA mechanism. Refer to Note 15, "Other Commitments and Contingencies - D Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

On April 1, 2022, NIPSCO Gas filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for a Pipeline Safety III Compliance Plan. The federally mandated costs include a total estimated \$228.7 million of capital costs as well as \$34.1 million of operation and maintenance programs. NIPSCO Gas is requesting all associated accounting and ratemaking relief, including establishment of a periodic rate adjustment mechanism.

Financing Activities

Common Stock, Preferred Stock and Equity Unit Sale. Refer to Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock activity.

[Table of Contents](#)

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

NiSource Inc.

Short-term Debt and Sale of Trade Accounts Receivables. Refer to Note 14, "Short-Term Borrowings," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity, including sale of trade accounts receivable.

Noncontrolling Interest. Refer to Note 12, "Variable Interest Entities," in the Notes to 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, 2022 and December 31, 2021:

<i>(in millions)</i>	March 31, 2022	December 31, 2021
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	480.0	251.2
<i>Less:</i>		
Commercial Paper	165.0	560.0
Accounts Receivable Programs Utilized	355.0	—
Letters of Credit Outstanding Under Credit Facility	14.4	18.9
<i>Add:</i>		
Cash and Cash Equivalents	114.5	84.2
Net Available Liquidity	\$ 1,910.1	\$ 1,606.5

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

Debt Covenants. We are subject to financial covenants under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70%. As of March 31, 2022, the ratio was 56.4%.

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, 2022. 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, 2022, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$58.1 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 620,000,000 shares, \$0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of March 31, 2022, 405,734,408 shares of common stock and 1,302,500 shares of preferred 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, 2021. There were no material changes from year-end during the three months ended March 31, 2022.

[Table of Contents](#)

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

NiSource Inc.

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 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.

[Table of Contents](#)

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 Gas Distribution 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 offers 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 Gas Distribution 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 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. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric 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 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 will continue efforts to design rates that increase the certainty of recovery of fixed costs.

[Table of Contents](#)

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	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Currently Approved in Current or Future Rates							
Columbia of Pennsylvania ⁽¹⁾	10.95 %	None specified	\$ 98.3	\$ 58.5	March 30, 2021	Approved December 16, 2021	December 2021
Columbia of Maryland	10.85 %	9.65 %	\$ 4.8	\$ 2.4	May 14, 2021	Approved December 3, 2021	December 2021
Columbia of Kentucky ⁽²⁾	10.30 %	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	Approved December 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	10.95 %	None specified	\$ 14.2	\$ 1.3	August 28, 2018	Approved June 12, 2019	February 2019
Columbia of Ohio	11.50 %	10.39 %	\$ 87.8	\$ 47.1	March 3, 2008	Approved December 3, 2008	December 2008
NIPSCO - Gas	10.70 %	9.85 %	\$ 138.1	\$ 105.6	September 27, 2017	Approved September 19, 2018	October 2018
NIPSCO - Electric	10.80 %	9.75 %	\$ 21.4	(\$ 53.5)	October 31, 2018	Approved December 4, 2019	January 2020
Active Rate Cases							
Columbia of Ohio ⁽⁴⁾	10.95 %	In process	\$ 221.4	In process	June 30, 2021	Order Expected Q3 2022	Q3 2022
NIPSCO - Gas ⁽⁵⁾	10.50 %	In process	\$ 109.7	In process	September 29, 2021	Order Expected Q3 2022	September 2022
Columbia of Pennsylvania	11.20 %	In process	\$ 82.2	In process	March 18, 2022	Order Expected Q4 2022	December 2022
Columbia of Virginia ⁽⁶⁾	10.75 %	In process	\$ 40.6	In process	April 29, 2022	Pending procedural schedule	October 2022

⁽¹⁾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 without specifying ratemaking elements to establish the Company's revenue requirement. Pursuant to the settlement, for purposes of calculating its DSIC, Columbia of Pennsylvania shall use the equity return rate for gas utilities contained in the Pennsylvania Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities, including quarterly updates thereto.

⁽²⁾The approved ROE for natural gas capital riders (e.g. SMRP) is 9.275%.

⁽³⁾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 filings.

⁽⁴⁾A proposed Incremental Revenue of \$212.3M is reflected in the update filed with the PUCO on March 31, 2022.

⁽⁵⁾ Proposed new rates would be implemented in 2 steps, with implementation of step 1 rates to be effective in September 2022 and step 2 rates to be effective in March 2023. A proposed ROE of 9.85% and Incremental Revenue of \$71.8M are reflected in the Settlement and Stipulation Agreement filed with the IURC on March 2, 2022.

⁽⁶⁾The revenue request including the SAVE tracker related amount is \$58.2 million. Beginning October 2022, interim rates will be billed subject to refund, pending a final commission order.

PHMSA Regulations

On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law, reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA 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. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement and utilize advanced leak detection technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment. Natural gas companies, including NiSource and our subsidiaries, may see increased costs depending on how PHMSA implements the new mandates resulting from the PIPES Act.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

Climate Change Issues

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.

Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows. We continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act, passed in November 2021, and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their final form or impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and are evaluating how they may align with our strategy going forward. The energy-related provisions 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 over the next five years.

On July 8, 2019, the EPA published the final ACE rule, which establishes emission guidelines for states to use when developing plans to limit carbon dioxide at coal-fired electric generating units based on heat rate improvement measures. The U.S. Court of Appeals for the D.C. Circuit vacated and remanded the rule on January 19, 2021. On October 29, 2021, the U.S. Supreme Court agreed to review the scope of the EPA's authority to impose GHG emission standards under the Clean Air Act. We will continue to monitor this matter.

In February 2021, the United States rejoined 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. Subsequently, the Biden Administration released 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 pathways to reach these goals.

The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, the Virginia Energy Innovation Act ("the 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 is required to adopt a plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the 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 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. Columbia of Maryland will continue to monitor this matter, but we cannot predict its final impact on our business at this time.

In response to these transition risks and opportunities, we continue to actively implement our plans to reduce Scope 1 GHG emissions by 90% from 2005 levels by 2030, and to significantly reduce methane emissions, a component of Scope 1 GHG emissions. These plans include the retirement of coal-fired electric generation, increased sourcing of renewable energy, and methane reductions from priority pipeline replacement, traditional leak detection and repair, and deployment of advanced leak detection and repair. As of the end of 2021, we had reduced Scope 1 GHG emissions by approximately 58% from 2005 levels.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

Additionally, we are active in several efforts to accelerate the development and demonstration of lower-carbon energy technologies and resources, such as hydrogen and RNG, to enable affordable pathways to economy-wide decarbonization.

In April 2022, Columbia of Pennsylvania and Columbia of Virginia each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows 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.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," and Part II, Item 1A. Risk Factors, NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans.

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 Operations 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 signification 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 8, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of March 31, 2022 and December 31, 2021.

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 \$1.5 million and \$1.2 million for the three months ended March 31, 2022 and 2021, 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.

Refer to Note 8, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of March 31, 2022 and December 31, 2021.

[Table of Contents](#)

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

NiSource Inc.

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 closely monitor the financial status of our banking credit providers. 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.

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, 2021. There were no material changes made in the three months ended March 31, 2022.

Recently Issued Accounting Pronouncements

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

[Table of Contents](#)

NiSource Inc.

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.

[Table of Contents](#)

NiSource Inc.

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 Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

The risk factors set forth in Part I, Item 1A of the Annual Report on Form 10-K for the year ended December 31, 2021 are supplemented with the following risk factor, which should be read in conjunction with the risk factors set forth in the Annual Report on Form-10-K.

Operational Risk

Aspects of the implementation of our electric generation strategy, including the retirement of our coal generation units, are expected to be delayed and may not achieve intended results.

Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, as described in our 2018 Plan, is well underway, but we are facing challenges as described below. The 2018 Plan outlined the retirement of R.M. Schahfer Generation Station's four coal units by mid-2023, with a preferred replacement plan including wind, solar, and battery storage projects. The 2021 Plan that we submitted to the IURC calls for the replacement of our remaining coal generation 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. The precise timing of the retirements will be informed by regulatory and policy changes, our ability to maintain reliability of the system and our ability to secure replacement capacity. For additional information, see below and "Results and Discussion of Segment Operations - Electric Operations," in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Recent developments, including macro supply chain issues and U.S. federal policy actions, have created significant uncertainty around the availability of key input material necessary to develop and place solar projects in service in the U.S. Solar industry supply chain issues include the Antidumping and Countervailing Duties Anti Circumvention Petition filed by a domestic solar manufacturer, the Uyghur Forced Labor Protection Act and Forced Labor Withhold Release Order, Section 201 Tariffs, and general global supply chain and labor availability issues. The most prominent effect of these issues is the significant curtailment of imported solar panels and other key components required to complete utility scale solar projects in the U.S. Any solar panels that are available are priced much higher than previously anticipated and the incremental cost may not be recoverable through customer rates. As a result of the challenges in obtaining solar panels, many solar projects in the U.S. have been delayed or canceled. As we are in the midst of a transition to a solar dominant electric generation portfolio, our projects are subject to the effects of these issues, and there is currently uncertainty around the timing of completion for our portfolio of projects under the 2018 Plan. We have received and are evaluating several notices of possible force majeure from developers in connection with the solar and storage projects. Depending on the outcome of these issues, developers and financing partners could seek to either modify the terms of or abandon the development of solar projects, which could negatively impact the planned in-service dates and cost estimates that have been approved by our regulators.

Our expectation has been that solar energy sources would be one of the primary ways in which we will meet our electric generation capacity and reliability obligations to the MISO market and reliably serve our customers when we retire our coal generation capacity. The high level of uncertainty surrounding the completion of our solar renewable energy projects creates significant risks for us to reliably meet our capacity and energy obligations to MISO and to provide reliable and affordable energy to our customers. Delays to the completion dates of our ten approved (or planned) solar projects are expected to impact our capacity position and our ability to meet our resource adequacy obligations to MISO. Delays to the completion dates of our projects could also include delays in the financial return of certain investments and impact the overall timing of our electric generation transition. Although we are not currently expecting delays to extend the completion dates of our six solar and storage BTA projects beyond the currently planned sunset of investment tax credits at the end of 2025, if such delays occur, they could impact the viability of the projects.

We are evaluating potential paths to mitigate these risks, including extending operations of the remaining two coal units at Schahfer from the previously planned retirement date of May 2023 to the end of 2025 in order to continue to have sufficient electric generation resources in our portfolio to meet our capacity and reliability obligations. Having additional flexibility in the timing of the exact date of the retirement will allow us to better manage the uncertainty in the timing of the completion of our renewable projects. We currently have a pending application with the EPA to continue operation of a coal ash pond that is tied

[Table of Contents](#)

ITEM 1A. RISK FACTORS

NiSource Inc.

to operation of Schahfer Units 17 and 18. The application is being updated to reflect extending operation of our coal ash pond from 2023 to the end of 2025, with the coal ash pond closing by October 2028. It is difficult to assess the likelihood that the EPA would approve extending the operation of our coal ash pond. In recent proposed EPA actions denying continued operation of coal ash ponds at other utilities, EPA said that coal ash ponds should cease receipt of CCR within 135 days of final EPA action unless certain conditions are demonstrated, such as potential reliability issues. We believe that we can continue to operate the two units to the end of 2025 while still meeting the CCR rule's final October 2028 deadline for pond closure. Extending the operation of the two remaining Schahfer coal units beyond 2025 would require substantial investment in infrastructure to process CCRs without the coal ash pond. We are also evaluating the ability to secure electric capacity from other resources in the event that one or more of our solar projects is not viable.

Furthermore, extending operations of the remaining two coal units at Schahfer from the previously planned retirement date of May 2023 may require us to acquire additional emission allowances for compliance with the EPA's proposed interstate air pollution transport rule, also known as the "Good Neighbor" Plan, which was published in the Federal Register on April 6, 2022. We are currently evaluating the proposed rule. The cost to acquire additional emission allowances may be material.

As noted above, there are inherent risks and uncertainties in executing the projects that were outlined in the 2018 and 2021 Plans, both for what has been already executed and the additional capacity still planned to be secured in the future, including changes in market conditions, supply chain disruptions, regulatory approvals, environmental regulations, commodity costs and customer expectations, which are impeding our ability to achieve intended results and associated timelines. Changes in the cost, availability and supply of generation capacity are affecting the implementation of the results from the 2021 Plan. Advancements in technology in replacement resources may not become commercially available or economically feasible as projected in the 2021 Plan and the implementation execution may vary from that which has been communicated. Our future success will depend, in part, on our ability to successfully implement our long-term electric generation plans, to offer services that meet customer demands and evolving industry standards, and to recover all, or a significant portion of, any unrecovered investment in obsolete assets.

As noted above, we expect our electric generation strategy to require additional investment to meet our MISO obligations and may require significant future capital expenditures, operating costs and charges to earnings that may negatively impact our financial position, financial results and cash flows. An inability to secure and deliver on renewable projects is negatively impacting our generation transition timeline and may negatively impact our achievement of decarbonization goals and reputation.

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

None.

[Table of Contents](#)

ITEM 6. EXHIBITS

NiSource Inc.

- (10.1) [First Amendment to the NiSource Inc. 2020 Omnibus Incentive Plan.* **](#)
- (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.

** Management contract or compensatory plan or arrangement of NiSource Inc.

[Table of Contents](#)

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 4, 2022

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer)

Exhibit 10.1

**FIRST AMENDMENT TO THE
NISOURCE INC.
2020 Omnibus Incentive Plan**

BACKGROUND

- A. NiSource Inc. (the “Company”) maintains the NiSource Inc. 2020 Omnibus Incentive Plan (the “Plan”).
- B. The Company desires to amend the Plan to provide the Compensation and Human Capital Committee (the “Committee”) of the Board of Directors (the “Board”) the authority to delegate some or all of its power and authority to, in addition to the persons specified in the Plan, the Chief Human Resources Officer of the Company, as the Committee deems appropriate, subject to the terms of the Plan.
- C. Section 19.1 of the Plan gives the Committee the ability to amend the Plan.
- D. The Committee approved the amendment of the Plan at its meeting held March 14, 2022.

PLAN AMENDMENT

1. Effective March 14, 2022, the second paragraph of Section 3.3 of Article III of the Plan is deleted in its entirety and replaced with the following:

The Committee may delegate some or all of its power and authority hereunder to the Board (or any members thereof) or, subject to applicable law, to a subcommittee of the Board, a member of the Board, the CEO, other executive officers, or the Chief Human Resources Officer of the Company, as the Committee deems appropriate; provided, however, that the Committee may not delegate its power and authority to a member of the Board, the CEO, other executive officers, or the Chief Human Resources Officer of the Company with regard to the selection for participation in this Plan of an officer, director or other person subject to Section 16 of the 1934 Act or decisions concerning the timing, pricing or amount of an Award to such an officer, director or other person.
2. Except as provided herein, the remainder of the Plan shall remain unchanged.

Exhibit 31.1

**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 for the quarter ended March 31, 2022;
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(s) 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 4, 2022

By:

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Exhibit 31.2

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

I, Donald E. Brown, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended March 31, 2022;
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(s) 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 4, 2022

By:

/s/ Donald E. Brown
Donald E. Brown
Executive Vice President, Chief Financial Officer,
and President of NiSource Corporate Services

Exhibit 32.1

**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, 2022 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 results of operations of the Company.

/s/ Lloyd M. Yates

Lloyd M. Yates
President and Chief Executive Officer

Date: May 4, 2022

Exhibit 32.2

**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, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Donald E. Brown, 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 results of operations of the Company.

/s/ Donald E. Brown

Donald E. Brown
Executive Vice President, Chief Financial Officer, and President of
NiSource Corporate Services

Date: May 4, 2022

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 June 30, 2022

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 Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	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: 405,952,999 shares outstanding at July 26, 2022.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED JUNE 30, 2022

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I</u>	
<u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	15
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	36
Item 3. Quantitative and Qualitative Disclosures About Market Risk	56
Item 4. Controls and Procedures	56
<u>PART II</u>	
<u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	57
Item 1A. Risk Factors	57
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	57
Item 3. Defaults Upon Senior Securities	57
Item 4. Mine Safety Disclosures	57
Item 5. Other Information	57
Item 6. Exhibits	58
Signature	59

DEFINED TERMS

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

NiSource Subsidiaries and Affiliates

Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Massachusetts	Bay State Gas Company
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
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

Abbreviations and Other

AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	At-the-market
BTA	Build-transfer agreement
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019 and its variants, including the Delta and Omicron variants, and any other variant that may emerge
DPU	Department of Public Utilities
DSIC	Distribution System Improvement Charge
EPA	United States Environmental Protection Agency
EPS	Earnings per share
Equity Units	Series A Equity Units
FAC	Fuel adjustment clause
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
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
LIBOR	London InterBank Offered Rate
LIHEAP	Low Income Heating Energy Assistance Programs

	<u>DEFINED TERMS</u>
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NTSB	National Transportation Safety Board
NYMEX	New York Mercantile Exchange
OPEB	Other Postemployment Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PUCO	Public Utilities Commission of Ohio
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)
SEC	Securities and Exchange Commission
Section 201 Tariffs	Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026
SMRP	Safety Modification and Replacement Program
STRIDE	Strategic Infrastructure Development Enhancement
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
U.S. Attorney's Office	U.S. Attorney's Office for the District of Massachusetts
VIE	Variable Interest Entity

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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 adapt to, and manage costs related to, advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, many 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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	15
1. Basis of Accounting Presentation	15
2. Recent Accounting Pronouncements	15
3. Revenue Recognition	15
4. Earnings Per Share	19
5. Equity	20
6. Regulatory Matters	21
7. Risk Management Activities	22
8. Fair Value	24
9. Goodwill	27
10. Income Taxes	27
11. Pension and Other Postretirement Benefits	27
12. Variable Interest Entities	28
13. Long-Term Debt	30
14. Short-Term Borrowings	30
15. Other Commitments and Contingencies	30
16. Accumulated Other Comprehensive Loss	34
17. Other, Net	35
18. Business Segment Information	35

[Table of Contents](#)

PART I

ITEM 1. FINANCIAL STATEMENTS

**NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<i>(in millions, except per share amounts)</i>				
Operating Revenues				
Customer revenues	\$ 1,156.5	\$ 952.4	\$ 2,996.8	\$ 2,458.9
Other revenues	26.7	33.6	59.7	72.7
Total Operating Revenues	1,183.2	986.0	3,056.5	2,531.6
Operating Expenses				
Cost of energy	383.7	228.3	1,090.4	705.1
Operation and maintenance	381.9	362.8	776.2	724.3
Depreciation and amortization	208.7	186.3	401.4	371.3
Loss (gain) on sale of assets, net	—	(0.1)	(105.0)	8.0
Other taxes	65.6	66.5	149.9	147.5
Total Operating Expenses	1,039.9	843.8	2,312.9	1,956.2
Operating Income	143.3	142.2	743.6	575.4
Other Income (Deductions)				
Interest expense, net	(84.5)	(84.5)	(168.2)	(169.1)
Other, net	9.0	12.4	19.9	22.9
Total Other Deductions, Net	(75.5)	(72.1)	(148.3)	(146.2)
Income before Income Taxes	67.8	70.1	595.3	429.2
Income Taxes	12.0	13.2	108.2	75.8
Net Income	55.8	56.9	487.1	353.4
Net loss attributable to noncontrolling interest	(11.2)	(3.4)	(6.7)	(2.4)
Net Income Attributable to NiSource	67.0	60.3	493.8	355.8
Preferred dividends	(13.8)	(13.8)	(27.6)	(27.6)
Net Income Available to Common Shareholders	53.2	46.5	466.2	328.2
Earnings Per Share				
Basic Earnings Per Share	\$ 0.13	\$ 0.12	\$ 1.15	\$ 0.84
Diluted Earnings Per Share	\$ 0.12	\$ 0.11	\$ 1.06	\$ 0.80
Basic Average Common Shares Outstanding	406.4	393.0	406.2	392.8
Diluted Average Common Shares	440.2	422.9	440.8	408.5

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

<i>(in millions, net of taxes)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Income	\$ 55.8	\$ 56.9	\$ 487.1	\$ 353.4
Other comprehensive income:				
Net unrealized gain (loss) on available-for-sale debt securities ⁽¹⁾	(3.9)	0.9	(9.6)	(1.6)
Net unrealized gain (loss) on cash flow hedges ⁽²⁾	56.0	(49.8)	103.0	34.8
Unrecognized pension and OPEB benefit (costs) ⁽³⁾	(2.5)	0.8	(2.4)	(0.1)
Total other comprehensive income (loss)	49.6	(48.1)	91.0	33.1
Comprehensive Income	\$ 105.4	\$ 8.8	\$ 578.1	\$ 386.5

⁽¹⁾Net unrealized gain (loss) on available-for-sale debt securities, net of \$1.1 million tax benefit and \$0.3 million tax expense in the second quarter of 2022 and 2021, respectively and \$2.6 million and \$0.4 million tax benefit for the six months ended 2022 and 2021, respectively.

⁽²⁾Net unrealized gain (loss) on cash flow hedges, net of \$12.8 million tax expense and \$16.5 million tax benefit in the second quarter of 2022 and 2021, respectively, and \$34.1 million and \$11.5 million tax expense for the six months ended 2022 and 2021, respectively.

⁽³⁾Unrecognized pension and OPEB benefit (costs), net of \$0.8 million tax benefit and \$0.2 million tax expense in the second quarter of 2022 and 2021, respectively, and \$0.8 million tax benefit and \$1.1 million tax expense for the six months ended 2022 and 2021, respectively.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

<i>(in millions)</i>	June 30, 2022	December 31, 2021
ASSETS		
Property, Plant and Equipment		
Plant	\$ 26,046.1	\$ 25,171.3
Accumulated depreciation and amortization	(7,534.4)	(7,289.5)
Net Property, Plant and Equipment ⁽¹⁾	18,511.7	17,881.8
Investments and Other Assets		
Unconsolidated affiliates	0.8	0.8
Available-for-sale debt securities (amortized cost of \$160.2 and \$169.3, allowance for credit losses of \$1.0 and \$0.2, respectively)	149.8	171.8
Other investments	73.5	87.1
Total Investments and Other Assets	224.1	259.7
Current Assets		
Cash and cash equivalents	77.8	84.2
Restricted cash	21.7	10.7
Accounts receivable	740.7	849.1
Allowance for credit losses	(26.1)	(23.5)
Accounts receivable, net	714.6	825.6
Gas inventory	307.5	327.4
Materials and supplies, at average cost	142.9	139.1
Electric production fuel, at average cost	41.2	32.2
Exchange gas receivable	134.6	99.6
Regulatory assets	179.7	206.2
Prepayments and other	291.7	195.8
Total Current Assets ⁽¹⁾	1,911.7	1,920.8
Other Assets		
Regulatory assets	2,308.8	2,286.0
Goodwill	1,485.9	1,485.9
Deferred charges and other	371.6	322.7
Total Other Assets	4,166.3	4,094.6
Total Assets	\$ 24,813.8	\$ 24,156.9

⁽¹⁾Includes \$684.6 million and \$695.9 million at June 30, 2022 and December 31, 2021, respectively, of net property, plant and equipment assets and \$20.4 million and \$14.3 million at June 30, 2022 and December 31, 2021, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 12, "Variable Interest Entities" for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

<i>(in millions, except share amounts)</i>	June 30, 2022	December 31, 2021
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - \$0.01 par value, 600,000,000 shares authorized; 405,878,297 and 405,303,023 shares outstanding, respectively	\$ 4.1	\$ 4.1
Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 1,302,500 shares outstanding	1,546.5	1,546.5
Treasury stock	(99.9)	(99.9)
Additional paid-in capital	7,218.6	7,204.3
Retained deficit	(1,408.9)	(1,580.9)
Accumulated other comprehensive loss	(35.8)	(126.8)
Total NiSource Stockholders' Equity	7,224.6	6,947.3
Noncontrolling interest in consolidated subsidiaries	315.8	325.6
Total Equity	7,540.4	7,272.9
Long-term debt, excluding amounts due within one year	9,520.2	9,183.4
Total Capitalization	17,060.6	16,456.3
Current Liabilities		
Current portion of long-term debt	37.3	58.1
Short-term borrowings	555.0	560.0
Accounts payable	650.3	697.8
Dividends payable - common stock	95.4	—
Dividends payable - preferred stock	8.2	—
Customer deposits and credits	184.7	237.9
Taxes accrued	232.3	277.1
Interest accrued	124.4	105.5
Exchange gas payable	91.2	107.7
Regulatory liabilities	300.4	137.4
Accrued compensation and employee benefits	142.9	182.7
Other accruals	592.9	382.0
Total Current Liabilities ⁽¹⁾	3,015.0	2,746.2
Other Liabilities		
Deferred income taxes	1,830.9	1,659.4
Accrued liability for postretirement and postemployment benefits	280.5	292.5
Regulatory liabilities	1,833.0	1,842.6
Asset retirement obligations	464.1	469.7
Other noncurrent liabilities	329.7	690.2
Total Other Liabilities ⁽¹⁾	4,738.2	4,954.4
Commitments and Contingencies (Refer to Note 15, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 24,813.8	\$ 24,156.9

⁽¹⁾Includes \$7.5 million and \$10.0 million at June 30, 2022 and December 31, 2021, respectively, of current liabilities and \$20.8 million and \$20.5 million at June 30, 2022 and December 31, 2021, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 12, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Cash Flows (unaudited)

Six Months Ended June 30, (in millions)	2022	2021
Operating Activities		
Net Income	\$ 487.1	\$ 353.4
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	401.4	371.3
Deferred income taxes and investment tax credits	100.8	70.8
Loss (gain) on sale of assets	(105.0)	8.0
Other adjustments	14.1	8.9
Changes in Assets and Liabilities:		
Components of working capital	2.4	(106.2)
Regulatory assets/liabilities	(8.2)	21.5
Deferred charges and other noncurrent assets	(16.1)	(2.5)
Other noncurrent liabilities	30.7	(22.2)
Net Cash Flows from Operating Activities	907.2	703.0
Investing Activities		
Capital expenditures	(917.0)	(798.1)
Insurance recoveries	105.0	—
Payment to renewable generation asset developer	(79.0)	(7.4)
Other investing activities	(60.1)	(56.9)
Net Cash Flows used for Investing Activities	(951.1)	(862.4)
Financing Activities		
Issuance of long-term debt, net of discount and underwriting costs	345.6	—
Repayments of long-term debt and finance lease obligations	(34.7)	(12.2)
Change in short-term borrowings, net (maturity ≤ 90 days)	(5.0)	(503.0)
Issuance of common stock, net of issuance costs	5.9	6.0
Equity costs, premiums and other debt related costs	(9.1)	(5.9)
Contributions from noncontrolling interest	—	7.4
Distributions to noncontrolling interest	(3.0)	(0.2)
Issuance of equity units, net of underwriting costs	—	839.9
Dividends paid - common stock	(190.6)	(172.5)
Dividends paid - preferred stock	(27.6)	(27.6)
Contract liability payment	(33.0)	(7.7)
Net Cash Flows from Financing Activities	48.5	124.2
Change in cash, cash equivalents and restricted cash	4.6	(35.2)
Cash, cash equivalents and restricted cash at beginning of period	94.9	125.6
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 99.5	\$ 90.4

Reconciliation to Balance Sheet

Six Months Ended June 30, (in millions)	2022
Cash and cash equivalents	77.8
Restricted Cash	21.7
Total Cash, Cash Equivalents and Restricted Cash	99.5

Supplemental Disclosures of Cash Flow Information

Six Months Ended June 30, (in millions)	2022	2021
Non-cash transactions:		
Capital expenditures included in current liabilities	\$ 252.6	\$ 193.0
Dividends declared but not paid	103.6	94.4
Purchase contract liability ⁽¹⁾	97.3	161.5
Obligation to developer at formation of joint venture	\$ —	\$ 6.0

⁽¹⁾Refer to Note 5, "Equity," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of April 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,208.9	\$ (1,372.3)	\$ (85.4)	\$ 329.5	\$ 7,531.4
Comprehensive Income:								
Net income	—	—	—	—	67.0	—	(11.2)	55.8
Other comprehensive income, net of tax	—	—	—	—	—	49.6	—	49.6
Dividends:								
Common stock (\$0.24 per share)	—	—	—	—	(95.4)	—	—	(95.4)
Preferred stock (See Note 5)	—	—	—	—	(8.2)	—	—	(8.2)
Distributions to noncontrolling interests	—	—	—	—	—	—	(2.5)	(2.5)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	6.0	—	—	—	6.0
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
Balance as of June 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,218.6	\$ (1,408.9)	\$ (35.8)	\$ 315.8	\$ 7,540.4

⁽¹⁾Series A, Series B, and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity" for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,204.3	\$ (1,580.9)	\$ (126.8)	\$ 325.6	\$ 7,272.9
Comprehensive Income:								
Net income	—	—	—	—	493.8	—	(6.7)	487.1
Other comprehensive income, net of tax	—	—	—	—	—	91.0	—	91.0
Dividends:								
Common stock (\$0.71 per share)	—	—	—	—	(286.1)	—	—	(286.1)
Preferred stock (See Note 5)	—	—	—	—	(35.7)	—	—	(35.7)
Distributions to noncontrolling interests	—	—	—	—	—	—	(3.1)	(3.1)
Stock issuances:								
Employee stock purchase plan	—	—	—	2.5	—	—	—	2.5
Long-term incentive plan	—	—	—	6.9	—	—	—	6.9
401(k) and profit sharing	—	—	—	4.9	—	—	—	4.9
Balance as of June 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,218.6	\$ (1,408.9)	\$ (35.8)	\$ 315.8	\$ 7,540.4

⁽¹⁾Series A, Series B, and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity" for additional information.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Equity (unaudited) (continued)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of April 1, 2021	\$ 3.9	\$ 880.0	\$ (99.9)	\$ 6,892.9	\$ (1,669.8)	\$ (75.5)	\$ 94.1	\$ 6,025.7
Comprehensive Income:								
Net income (loss)	—	—	—	—	60.3	—	(3.4)	56.9
Other comprehensive loss, net of tax	—	—	—	—	—	(48.1)	—	(48.1)
Dividends:								
Common stock (\$0.22 per share)	—	—	—	—	(86.4)	—	—	(86.4)
Preferred stock (See Note 5)	—	—	—	—	(8.2)	—	—	(8.2)
Distribution to noncontrolling interest	—	—	—	—	—	—	(0.3)	(0.3)
Stock issuances:								
Equity Units	—	838.8	—	(173.3)	—	—	—	665.5
Employee stock purchase plan	—	—	—	1.2	—	—	—	1.2
Long-term incentive plan	—	—	—	4.8	—	—	—	4.8
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
Balance as of June 30, 2021	\$ 3.9	\$ 1,718.8	\$ (99.9)	\$ 6,728.0	\$ (1,704.1)	\$ (123.6)	\$ 90.4	\$ 6,613.5

⁽¹⁾Series A, Series B and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity" for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2021	\$ 3.9	\$ 880.0	\$ (99.9)	\$ 6,890.1	\$ (1,765.2)	\$ (156.7)	\$ 85.6	\$ 5,837.8
Comprehensive Loss:								
Net income (loss)	—	—	—	—	355.8	—	(2.4)	353.4
Other comprehensive income, net of tax	—	—	—	—	—	33.1	—	33.1
Dividends:								
Common stock (\$0.66 per share)	—	—	—	—	(259.0)	—	—	(259.0)
Preferred stock (See Note 5)	—	—	—	—	(35.7)	—	—	(35.7)
Contribution from noncontrolling interest, net of distributions	—	—	—	—	—	—	7.2	7.2
Stock issuances:								
Equity Units	—	838.8	—	(173.3)	—	—	—	665.5
Employee stock purchase plan	—	—	—	2.5	—	—	—	2.5
Long-term incentive plan	—	—	—	4.3	—	—	—	4.3
401(k) and profit sharing	—	—	—	4.7	—	—	—	4.7
ATM program	—	—	—	(0.3)	—	—	—	(0.3)
Balance as of June 30, 2021	\$ 3.9	\$ 1,718.8	\$ (99.9)	\$ 6,728.0	\$ (1,704.1)	\$ (123.6)	\$ 90.4	\$ 6,613.5

⁽¹⁾Series A, Series B and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M respectively. See Note 5, "Equity" for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of April 1, 2022	1,303	409,697	(3,963)	405,734
Issued:				
Employee stock purchase plan	—	39	—	39
Long-term incentive plan	—	28	—	28
401(k) and profit sharing	—	77	—	77
Balance as of June 30, 2022	1,303	409,841	(3,963)	405,878

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2022	1,303	409,266	(3,963)	405,303
Issued:				
Employee stock purchase plan	—	83	—	83
Long-term incentive plan	—	328	—	328
401(k) and profit sharing	—	164	—	164
Balance as of June 30, 2022	1,303	409,841	(3,963)	405,878

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of April 1, 2021	440	396,093	(3,963)	392,130
Issued:				
Equity Units	863	—	—	—
Employee stock purchase plan	—	52	—	52
Long-term incentive plan	—	51	—	51
401(k) and profit sharing	—	96	—	96
Balance as of June 30, 2021	1,303	396,292	(3,963)	392,329

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2021	440	395,723	(3,963)	391,760
Issued:				
Equity Units	863	—	—	—
Employee stock purchase plan	—	107	—	107
Long-term incentive plan	—	263	—	263
401(k) and profit sharing	—	199	—	199
Balance as of June 30, 2021	1,303	396,292	(3,963)	392,329

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

[Table of Contents](#)

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, 2021. 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

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited), which are described below:

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. These pronouncements provide temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. These pronouncements are effective upon issuance on March 12, 2020, and will apply through December 31, 2022. We have evaluated the temporary expedients and options available under this guidance and identified the financial instruments to which the expedients could be applied, if deemed necessary. As of June 30, 2022, we have not applied any expedients or options available under these ASUs.

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. This pronouncement requires certain annual disclosures for transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance. This pronouncement is applicable for financial statements issued for annual periods beginning after December 15, 2021. We are currently evaluating the impact of adoption, if any, on the Notes to the Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This pronouncement amends the guidance for entities that issue convertible instruments and/or contracts indexed to and potentially settled in an entity's own equity. The pronouncement eliminates the beneficial conversion and cash conversion accounting models for convertible instruments. Additionally, the pronouncement amends the guidance for the derivatives scope exception for contracts in an entity's own equity. This pronouncement impacts the denominator in the calculation of diluted EPS for our Equity Units as we are required to assume share settlement of the remaining purchase contract payment balance when applying the if-converted method. Moreover, we are required to utilize the average share price for the period instead of the end of period price. We adopted this pronouncement using the modified retrospective method as of January 1, 2022.

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

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):

Three Months Ended June 30, 2022 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 465.0	\$ 137.0	\$ —	\$ 602.0
Commercial	160.6	134.7	—	295.3
Industrial	48.1	138.7	—	186.8
Off-system	59.1	—	—	59.1
Miscellaneous	8.6	4.7	—	13.3
Total Customer Revenues	\$ 741.4	\$ 415.1	\$ —	\$ 1,156.5
Other Revenues	(0.3)	22.0	5.0	26.7
Total Operating Revenues	\$ 741.1	\$ 437.1	\$ 5.0	\$ 1,183.2

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues primarily related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Three Months Ended June 30, 2021 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 378.6	\$ 131.9	\$ —	\$ 510.5
Commercial	125.4	130.0	—	255.4
Industrial	44.0	119.0	—	163.0
Off-system	17.0	—	—	17.0
Miscellaneous	4.9	1.4	0.2	6.5
Total Customer Revenues	\$ 569.9	\$ 382.3	\$ 0.2	\$ 952.4
Other Revenues	4.4	21.2	8.0	33.6
Total Operating Revenues	\$ 574.3	\$ 403.5	\$ 8.2	\$ 986.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues primarily related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Six months ended June 30, 2022 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,441.9	\$ 275.5	\$ —	\$ 1,717.4
Commercial	517.1	269.2	—	786.3
Industrial	115.9	268.5	—	384.4
Off-system	77.8	—	—	77.8
Miscellaneous	22.6	8.3	—	30.9
Total Customer Revenues	\$ 2,175.3	\$ 821.5	\$ —	\$ 2,996.8
Other Revenues	2.5	45.7	11.5	59.7
Total Operating Revenues	\$ 2,177.8	\$ 867.2	\$ 11.5	\$ 3,056.5

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Six months ended June 30, 2021 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,152.1	\$ 261.1	\$ —	\$ 1,413.2
Commercial	396.9	252.8	—	649.7
Industrial	101.9	241.9	—	343.8
Off-system	31.4	—	—	31.4
Miscellaneous	14.7	5.7	0.4	20.8
Total Customer Revenues	\$ 1,697	\$ 761.5	\$ 0.4	\$ 2,458.9
Other Revenues	13.1	44.5	15.1	72.7
Total Operating Revenues	\$ 1,710.1	\$ 806.0	\$ 15.5	\$ 2,531.6

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

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 six months ended June 30, 2022 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.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2021	\$ 459.6	\$ 337.0
Balance as of June 30, 2022	473.7	216.9

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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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, and final bill data. 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.

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 June 30, 2022 and December 31, 2021 are presented in the table below:

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2022	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5
Current period provisions	14.8	4.2	—	19.0
Write-offs charged against allowance	(21.3)	(2.7)	—	(24.0)
Recoveries of amounts previously written off	7.3	0.3	—	7.6
Balance as of June 30, 2022	\$ 19.7	\$ 5.6	\$ 0.8	\$ 26.1

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2021	\$ 41.8	\$ 9.7	\$ 0.8	\$ 52.3
Current period provisions	5.8	1.4	—	7.2
Write-offs charged against allowance	(46.7)	(7.7)	—	(54.4)
Recoveries of amounts previously written off	18.0	0.4	—	18.4
Balance as of December 31, 2021	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5

In connection with the COVID-19 pandemic, certain state regulatory commissions instituted regulatory moratoriums that impacted our ability to pursue our standard credit risk mitigation practices during 2021. Following the issuance of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently recovered in rates. At December 31, 2021, in addition to our evaluation of the allowance for credit losses discussed above, we considered benefits available under governmental COVID-19 relief programs, the impact of unemployment benefits initiatives, and flexible payment plans being offered to customers affected by or experiencing hardship as a result of the pandemic, which could help to mitigate the potential for increasing customer account delinquencies. We also considered the on-time bill payment promotion and robust customer marketing strategy for energy assistance programs that we have implemented. Based upon our overall evaluation, we have concluded that the allowance for credit losses as of December 31, 2021 and June 30, 2022 adequately reflected the collection risk and net realizable value for our receivables. As of December 31, 2021, we resumed our common credit mitigation practices in all jurisdictions as all moratoriums had expired.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

4. 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 purposes of determining diluted EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three and six months ended June 30, 2022 and 2021 using the if-converted method under US GAAP. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the average stock price during the period falls below the initial reference price of \$24.51, subject to anti-dilution adjustments, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the average stock price during the period is above the initial reference price of \$24.51, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment was reflected in the calculation of diluted EPS for interest expense incurred for the three and six months ended June 30, 2022 and 2021 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which resulted in additional dilution from our Equity Units by requiring us to assume share settlement of the remaining purchase contract payment balance based on the average share price during the period. Refer to Note 2, "Recent Accounting Pronouncements," for more information on ASU 2020-06.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible securities as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of June 30, 2022 and 2021, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three and six months ended June 30, 2022 and 2021.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive. Refer to Note 5, "Equity," for more information on our ATM forward agreements.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net Income Available to Common Shareholders - Basic	\$ 53.2	\$ 46.5	\$ 466.2	\$ 328.2
Dilutive effect of Equity Units	0.5	0.4	1.0	0.4
Net Income Available to Common Shareholders - Diluted	\$ 53.7	\$ 46.9	\$ 467.2	\$ 328.6
Denominator:				
Average common shares outstanding - Basic	406.4	393.0	406.2	392.8
Dilutive potential common shares:				
Equity Units purchase contracts	27.9	28.2	28.5	14.2
Equity Units purchase contract payment balance	3.3	—	3.6	—
Shares contingently issuable under employee stock plans	1.0	0.8	1.0	0.7
Shares restricted under employee stock plans	0.4	0.3	0.4	0.3
ATM forward agreements	1.2	0.6	1.1	0.5
Average Common Shares - Diluted	440.2	422.9	440.8	408.5
Earnings per common share:				
Basic	\$ 0.13	\$ 0.12	\$ 1.15	\$ 0.84
Diluted	\$ 0.12	\$ 0.11	\$ 1.06	\$ 0.80

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

5. Equity

ATM Program and Forward Sale Agreement. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$750.0 million of our common stock.

On August 9, 2021, 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. From August 9, 2021 to September 1, 2021, the forward purchaser under our forward sale agreement borrowed 5,941,598 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of \$25.25 per share. We may settle the forward sale agreement in shares, cash, or net shares by December 15, 2022. Had we settled all the shares under the forward sale agreement at June 30, 2022, we would have received approximately \$143.8 million, based on a net price of \$24.20 per share.

As of June 30, 2022, the ATM program (including the impacts of the forward sale agreement discussed above) had approximately \$300.0 million of equity available for issuance. The program expires on December 31, 2023.

Preferred Stock. As of June 30, 2022, we had 20,000,000 shares of preferred stock authorized for issuance, of which 1,302,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

	Liquidation Preference Per Share	Shares	Three Months Ended June 30,		Six Months Ended June 30,		June 30, 2022	December 31, 2021
			2022	2021	2022	2021		
<i>(in millions except shares and per share amounts)</i>			Dividends Declared Per Share				Outstanding	
5.650% Series A	\$ 1,000.00	400,000	—	—	28.25	28.25	\$ 393.9	\$ 393.9
6.500% Series B	\$ 25,000.00	20,000	406.25	406.25	1,218.75	1,218.75	\$ 486.1	\$ 486.1
Series C ⁽¹⁾	\$ 1,000.00	862,500	—	—	—	—	\$ 666.5	\$ 666.5

⁽¹⁾The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock.

In addition, 20,000 shares of Series B–1 Preferred Stock, par value \$0.01 per share, were outstanding as of June 30, 2022. Holders of Series B–1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B–1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption or repurchase of the underlying Series B Preferred Stock.

As of June 30, 2022 and 2021, Series A Preferred Stock had \$1.0 million of cumulative preferred dividends in arrears, or \$2.51 per share, and Series B Preferred Stock had \$1.4 million of cumulative preferred dividends in arrears, or \$72.23 per share.

Equity Units. On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of Corporate Units, each with a stated amount of \$100. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share. We are accounting for the Corporate Units as a single unit of account.

Selected information about the Equity Units at the issuance date is presented below:

<i>(in millions except contract rate)</i>	Issuance Date	Units Issued	Total Net Proceeds ⁽¹⁾	Purchase Contract Annual Rate	Purchase Contract Liability
Equity Units	April 19, 2021	8.625 \$	835.5	7.75 % \$	168.8

⁽¹⁾Issuance costs of \$27.0 million were recorded on a relative fair value basis as a reduction to preferred stock of \$22.5 million and a reduction to the purchase contract liability of \$4.5 million.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is \$100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred Stock will initially be pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

The Series C Mandatory Convertible Preferred Stock is expected to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We will pay quarterly contract adjustment payments to holders of the Equity Units at the rate of 7.75% per year on the stated amount of \$100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. As of June 30, 2022, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of June 30, 2022 and December 31, 2021 the purchase contract liability was \$97.3 million and \$129.4 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of \$33.4 million and \$7.8 million were made during the six months ended June 30, 2022 and 2021, respectively.

Refer to Note 4, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million. Had we settled the remaining purchase contract payment balance in shares at June 30, 2022, we would have issued approximately 3.3 million shares.

6. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas has agreed to change the depreciation methodology for its calculation of depreciation rates, which will reduce depreciation expense and subsequent revenues and cash flows once new rates become effective. An order was received on July 27, 2022 approving the rate case.

Columbia of Ohio regulatory filing update

On Wednesday, April 6, 2022, the PUCO Staff issued its Staff Report in Columbia of Ohio's base rate case, filed on June 21, 2021, which was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. Columbia of Ohio's application requested a net rate increase approximating a 21.3% or \$221.4 million increase in revenue per year. The Staff Report recommended a rate increase of 4.0% - 6.3% or \$35.2 million to \$57.6 million increase in revenue per year. The Staff recommended adjustments include, but are not limited to, plant assets, labor adjustments, COVID-19 deferrals and environmental remediation costs, rider caps, and rate of return. On May 6, 2022 and May 13, 2022, respectively, Columbia of Ohio and the other parties filed written objections to the Staff report as well as written testimony. Local public hearings have concluded, and Columbia of Ohio has filed a motion requesting that the evidentiary hearing commence on October 18, 2022, to provide more time for settlement discussions.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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 joint ventures and the amount included in regulated rates to recover our approved investments in consolidated joint ventures. 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 expense" on the Condensed Statements of Consolidated Income (unaudited). We recorded a debit to depreciation expense of \$9.6 million and \$6.7 million for the three and six months ended June 30, 2022, and zero for the three and six months ended June 30, 2021, respectively, related to the regulatory deferral of income (loss) associated with our joint ventures, which is not included in current rates. Refer to Note 12, "Variable Interest Entities" for additional information.

FAC Adjustment

As ordered by the IURC on June 15, 2022, NIPSCO is required to refund to customers \$8.0 million of over-collected fuel costs. The refund is recorded as a regulatory liability on the Condensed Consolidated Balance Sheets (unaudited).

7. 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:

<i>(in millions)</i>	June 30, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current⁽¹⁾				
Derivatives designated as hedging instruments	\$ —	\$ 9.5	\$ —	\$ 136.4
Derivatives not designated as hedging instruments	33.7	0.5	10.6	0.4
Total	\$ 33.7	\$ 10.0	\$ 10.6	\$ 136.8
Noncurrent⁽²⁾				
Derivatives designated as hedging instruments	\$ —	\$ —	\$ —	\$ —
Derivatives not designated as hedging instruments	71.9	1.5	13.8	7.4
Total	\$ 71.9	\$ 1.5	\$ 13.8	\$ 7.4

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

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

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, for us or 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 June 30, 2022 and December 31, 2021, we had 112.3 MMDth and 124.5 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 June 30, 2022, the remaining terms of these instruments range from one to five years.

All gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's quarterly GCA mechanism. These instruments are not designated as accounting hedges.

[Table of Contents](#)

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:

<i>(in millions)</i>	June 30, 2022	December 31, 2021
Regulatory Assets		
Losses on commodity price risk programs	\$ 6.8	\$ 9.6
Regulatory Liabilities		
Gains on commodity price risk programs	127.7	34.2

Derivatives Designated as Hedging Instruments

Interest rate risk management. As of June 30, 2022, we have one forward-starting interest rate swap with a notional value of \$250.0 million to hedge the variability in cash flows attributable to changes in the benchmark interest rate associated with a forecasted debt issuance. This interest rate swap is designated as a cash flow hedge.

On June 7, 2022, we settled a \$250.0 million forward-starting interest rate swap agreement contemporaneously with the issuance of \$350.0 million of 5.00% senior unsecured notes maturing in 2052. The derivative contract was accounted for as a cash flow hedge. As part of the transaction, the associated net unrealized gain position of \$10.2 million is being amortized from accumulated other comprehensive loss into interest expense over the life of the associated debt. Refer to Note 13, "Long Term Debt" for additional information.

Cash flow hedges included in "Accumulated other comprehensive loss" on the Condensed Consolidated Balance Sheets (unaudited) were:

<i>(in millions)</i>	AOCI ⁽¹⁾	Amounts Expected to be Reclassified to Earnings During the Next 12 Months ⁽¹⁾	Maximum Term
Interest Rate	\$ (19.5)	(0.2)	365 months

⁽¹⁾ All amounts are net of tax.

The actual amounts reclassified from Accumulated other comprehensive loss to Net Income can differ from the estimate above due to market rate changes.

The gains and losses related to these swaps are recorded to AOCI. Upon issuance, we amortize the gains and losses over the life of the debt associated with these swaps as we recognize interest expense. These amounts are immaterial for the three and six months ended June 30, 2022 and 2021 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited).

If it becomes probable that a hedged forecasted transaction will no longer occur, the accumulated gains or losses on the derivative will be recognized currently in "Other, net" in the Condensed Statements of Consolidated Income (unaudited).

There were no amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships at June 30, 2022 and December 31, 2021.

Our derivative instruments measured at fair value as of June 30, 2022 and December 31, 2021 do not contain any credit-risk-related contingent features. Cash flows for derivative financial instruments are generally classified as operating activities.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

8. 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 June 30, 2022 and December 31, 2021:

Recurring Fair Value Measurements June 30, 2022 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2022
Assets				
Risk management assets	\$ —	\$ 105.6	\$ —	\$ 105.6
Available-for-sale debt securities	—	149.8	—	149.8
Total	\$ —	\$ 255.4	\$ —	\$ 255.4
Liabilities				
Risk management liabilities	\$ —	\$ 11.5	\$ —	\$ 11.5
Total	\$ —	\$ 11.5	\$ —	\$ 11.5

Recurring Fair Value Measurements December 31, 2021 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2021
Assets				
Risk management assets	\$ —	\$ 24.4	\$ —	\$ 24.4
Available-for-sale debt securities	—	171.8	—	171.8
Total	\$ —	\$ 196.2	\$ —	\$ 196.2
Liabilities				
Risk management liabilities	\$ —	\$ 144.2	\$ —	\$ 144.2
Total	\$ —	\$ 144.2	\$ —	\$ 144.2

Risk Management Assets and Liabilities. Risk management assets and liabilities include interest rate swaps, 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.

[Table of Contents](#)

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 June 30, 2022 and December 31, 2021, 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.

Credit risk is considered in the fair value calculation of each of our forward-starting interest rate swaps, as described in Note 7, "Risk Management Activities." As they are based on observable data and valuations of similar instruments, the hedges are categorized within Level 2 of the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and we can settle the contracts at any time.

NIPSCO has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its 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 7, "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 June 30, 2022 and December 31, 2021, we recorded \$1.0 million and \$0.2 million, respectively, 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at June 30, 2022 and December 31, 2021 were:

June 30, 2022 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 51.1	\$ —	\$ (2.4)	\$ —	\$ 48.7
Corporate/Other debt securities	109.1	0.1	(7.1)	(1.0)	101.1
Total	\$ 160.2	\$ 0.1	\$ (9.5)	\$ (1.0)	\$ 149.8

December 31, 2021 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 52.8	\$ 0.1	\$ (0.4)	\$ —	\$ 52.5
Corporate/Other debt securities	116.5	3.7	(0.7)	(0.2)	119.3
Total	\$ 169.3	\$ 3.8	\$ (1.1)	\$ (0.2)	\$ 171.8

⁽¹⁾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 \$47.0 million and \$89.9 million, respectively, at June 30, 2022.

⁽²⁾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 \$36.2 million and \$35.4 million, respectively, at December 31, 2021.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were immaterial for the three and six months ended June 30, 2022 and 2021.

At June 30, 2022, approximately \$3.3 million of U.S. Treasury debt securities and approximately \$10.0 million of Corporate/Other debt securities have maturities of less than a year.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including 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.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity" for additional information.

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 June 30, 2022, 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:

(in millions)	Carrying Amount as of June 30, 2022	Estimated Fair Value as of June 30, 2022	Carrying Amount as of Dec. 31, 2021	Estimated Fair Value as of Dec. 31, 2021
Long-term debt (including current portion)	\$ 9,557.5	\$ 8,770.0	\$ 9,241.5	\$ 10,415.7

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

9. Goodwill

Substantially all of our goodwill relates to the excess of cost over the fair value of the net assets acquired in the Columbia acquisition on November 1, 2000. Our goodwill balance was \$1,485.9 million as of June 30, 2022 and December 31, 2021. All our goodwill has been allocated to our Gas Distribution Operations segment.

For our annual goodwill impairment analysis performed as of May 1, 2022, we performed a qualitative "step 0" assessment and determined that it was more likely than not that the estimated fair value of the reporting unit substantially exceeded the related carrying value of our reporting unit. For this test, we assessed various assumptions, events and circumstances that would have affected the estimated fair value of the reporting units as compared to their baseline May 1, 2020 "step 1" fair value measurement. There have been no impairments to the carrying value of our goodwill during the periods presented.

10. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2022 and 2021, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended June 30, 2022 and 2021 were 17.7% and 18.8%, respectively. The effective tax rates for the six months ended June 30, 2022 and 2021 were 18.2% and 17.7%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state income taxes and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The decrease in the three month effective tax rate of 1.1% in 2022 compared to 2021 is primarily attributed to lower state income taxes due to the jurisdictional mix of pre-tax income and partnership income, offset by decreased amortization of excess deferred federal income tax liabilities.

The increase in the six month effective tax rate of 0.5% in 2022 compared to 2021 is primarily attributed to slightly higher state income taxes due to the jurisdictional mix of pre-tax income.

There were no material changes recorded in 2022 to our uncertain tax positions recorded as of December 31, 2021.

11. 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 six months ended June 30, 2022, we contributed \$1.3 million to our pension plans and \$10.5 million to our OPEB plans.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and six months ended June 30, 2022 and 2021:

Three Months Ended June 30, (in millions)	Pension Benefits		OPEB	
	2022	2021	2022	2021
Components of Net Periodic Benefit (Income) Cost⁽¹⁾				
Service cost	\$ 7.0	\$ 7.5	\$ 1.6	\$ 1.5
Interest cost	9.8	7.9	3.0	2.5
Expected return on assets	(22.8)	(25.3)	(4.0)	(3.8)
Amortization of prior service credit	—	—	(0.6)	(0.6)
Recognized actuarial loss	4.8	5.5	0.7	1.2
Settlement loss	6.3	3.3	—	—
Total Net Periodic Benefit (Income) Cost	\$ 5.1	\$ (1.1)	\$ 0.7	\$ 0.8

⁽¹⁾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).

Six Months Ended June 30, (in millions)	Pension Benefits		OPEB	
	2022	2021	2022	2021
Components of Net Periodic Benefit (Income) Cost⁽¹⁾				
Service cost	\$ 14.1	\$ 15.1	\$ 3.2	\$ 3.0
Interest cost	19.2	15.6	6.0	5.0
Expected return on assets	(45.7)	(51.1)	(8.0)	(7.6)
Amortization of prior service credit	—	—	(1.2)	(1.2)
Recognized actuarial loss	9.3	10.8	1.4	2.4
Settlement loss	6.3	6.6	—	—
Total Net Periodic Benefit (Income) Cost	\$ 3.2	\$ (3.0)	\$ 1.4	\$ 1.6

⁽¹⁾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).

As of May 31, 2022, one of our qualified pension plans met the requirement for settlement accounting. A settlement charge of \$6.3 million was recorded during the second quarter of 2022. As a result of the settlement, the pension plan was remeasured, resulting in a decrease to the net pension asset of \$39.8 million, a net increase to regulatory assets of \$30.0 million, and a net debit to accumulated other comprehensive loss of \$3.5 million. Net periodic pension benefit cost for 2022 increased by \$5.7 million as a result of the interim remeasurement.

For the interim remeasurement, the discount rate used to calculate the remeasured plan's pension benefit obligation was updated to 4.13% from 2.60% at December 31, 2021. At the time of the interim remeasurement, we also updated the discount rates and expected return on assets used to calculate net periodic pension benefit costs in 2022. Our discount rates for service and interest costs, respectively, were updated to 4.30% and 3.64% from 2.85% and 1.90% at January 1, 2022. The expected return on assets assumption was updated to 5.70% from 4.80% at January 1, 2022.

12. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. We control decisions that are significant to Rosewater and Indiana Crossroads Wind's ongoing operations and economic results. Therefore, we have concluded that we are the primary beneficiary and have consolidated both.

Members of the respective joint ventures are NIPSCO (who is the managing member) and tax equity partners. Earnings, tax attributes and cash flows are allocated to both NIPSCO and the tax equity partner in varying percentages over the life of the partnership. Once the tax equity partner has earned their negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the respective joint venture. NIPSCO has an obligation to purchase, through a PPA at established market rates, 100% of the electricity generated by the joint ventures.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Rosewater

Rosewater owns and operates 102 MW of nameplate capacity wind generation assets. NIPSCO and the tax equity partner have made total contributions of \$170.1 million. NIPSCO and the tax equity partner contributed cash, and NIPSCO also assumed an obligation to the developer of the wind generation assets representing the remaining economic interest, which comes due in 2023. The obligation to developer is included within "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited). The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Rosewater.

Indiana Crossroads Wind

Indiana Crossroads Wind owns and operates 302 MW of nameplate capacity wind generation assets. NIPSCO and the tax equity partner have made total contributions of \$511.8 million. NIPSCO and the tax equity partner contributed cash, and NIPSCO also assumed an obligation to the developer of the wind generation assets representing the remaining economic interest, which comes due in 2023. The obligation to developer is included within "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited). The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Indiana Crossroads Wind.

The following table displays the noncontrolling interest in consolidated subsidiaries included in the Condensed Consolidated Balance Sheets (unaudited):

<i>(in millions)</i>	June 30, 2022		December 31, 2021	
Rosewater	\$	83.9	\$	88.2
Indiana Crossroads Wind		231.9		237.4
Total	\$	315.8	\$	325.6

The following table displays the Net income (loss) attributable to noncontrolling interest included in the Condensed Statements of Consolidated Income (unaudited):

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021		2022	2021	
Rosewater	\$ (4.0)	\$ (3.4)	\$ (2.9)	\$ (2.4)		
Indiana Crossroads Wind	(7.2)	—	(3.8)	—		
Total	\$ (11.2)	\$ (3.4)	\$ (6.7)	\$ (2.4)		

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.

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

<i>(in millions)</i>	June 30, 2022				December 31, 2021			
	Rosewater		Indiana Crossroads Wind		Rosewater		Indiana Crossroads Wind	
Net Property, Plant and Equipment	\$	167.3	\$	517.3	\$	170.1	\$	525.8
Current assets		7.8		12.6		6.2		8.1
Total assets⁽¹⁾		175.1		529.9		176.3		533.9
Current liabilities		3.6		3.9		2.5		7.5
Asset retirement obligations		5.8		15.0		5.7		14.8
Total liabilities	\$	9.4	\$	18.9	\$	8.2	\$	22.3

⁽¹⁾The assets of Rosewater and Indiana Crossroads 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 Rosewater and Indiana Crossroads do not have recourse, to the general credit of the primary beneficiary.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

13. Long-Term Debt

On April 1, 2022, we repaid \$20.0 million of 7.99% medium term notes at maturity. The remaining \$29.0 million of 7.99% medium term notes outstanding June 30, 2022 and December 31, 2021 are expected to be repaid in May 2027 at maturity.

On June 10, 2022, we completed the issuance and sale of \$350.0 million of 5.00% senior unsecured notes maturing in 2052, which resulted in approximately \$344.6 million of net proceeds after discount and debt issuance costs.

14. Short-Term Borrowings

We generate short-term borrowings through several sources, described in further detail 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. On February 18, 2022, we extended the termination date of our revolving credit facility to February 18, 2027. We had no outstanding borrowings under this facility as of June 30, 2022 and December 31, 2021.

Commercial Paper Program. Our commercial paper program has a program limit of up to \$1.5 billion. We had \$270.0 million and \$560.0 million of commercial paper outstanding with weighted-average interest rates of 2.00% and 0.24% as of June 30, 2022 and December 31, 2021, respectively.

Accounts Receivable Transfer Programs. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania each maintain a receivables agreement whereby they may transfer their customer accounts receivables to third-party financial institutions through wholly owned and consolidated special purpose entities. The three agreements expire between August 2022 and May 2023 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 June 30, 2022, the maximum amount of debt that could be recognized related to our accounts receivable programs is \$285.0 million.

We had \$285.0 million and zero short-term borrowings related to the securitization transactions as of June 30, 2022 and December 31, 2021, respectively.

For the six months ended June 30, 2022 and 2021, \$285.0 million and zero, respectively, were recorded as cash flows from 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 \$0.7 million and \$0.4 million for the three months ended June 30, 2022 and 2021, respectively and \$1.0 million and \$0.8 million for the six months ended June 30, 2022 and 2021, 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.

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

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 June 30, 2022 and December 31, 2021, we had issued stand-by letters of credit of \$14.7 million and \$18.9 million, respectively.

[Table of Contents](#)

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 June 30, 2022 and December 31, 2021, our guarantees for BTAs totaled \$485.2 million and \$288.9 million, respectively. As of August 2022, the amount of the guarantees increased to \$796.5 million in accordance with the Dunn's Bridge II and Indiana Crossroads Solar BTAs. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- D. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover, and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident").

We have been subject to inquiries and investigations by government authorities and regulatory agencies regarding the Greater Lawrence Incident. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office for the District of Massachusetts to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident, as described below. The Company and Columbia of Massachusetts entered into an agreement with the Massachusetts Attorney General's Office (among other parties) to resolve the Massachusetts DPU and the Massachusetts Attorney General's Office investigations, that was approved by the Massachusetts DPU on October 7, 2020 as part of the sale of the Massachusetts Business to Eversource.

U.S. Department of Justice Investigation. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident. Columbia of Massachusetts agreed to plead guilty in the United States District Court for the District of Massachusetts (the "Court") to violating the Natural Gas Pipeline Safety Act (the "Plea Agreement"), and the Company entered into a Deferred Prosecution Agreement (the "DPA").

On March 9, 2020, Columbia of Massachusetts entered its guilty plea pursuant to the Plea Agreement. The Court sentenced Columbia of Massachusetts on June 23, 2020, in accordance with the terms of the Plea Agreement (as modified). On June 23, 2021, the Court terminated Columbia of Massachusetts' period of probation under the Plea Agreement, which marked the completion of all terms of the Plea Agreement.

Under the DPA, the U.S. Attorney's Office agreed to defer prosecution of the Company in connection with the Greater Lawrence Incident for a three-year period (which three-year period may be extended for twelve (12) months upon the U.S. Attorney's Office's determination of a breach of the DPA) subject to certain obligations of the Company, including, but not limited to, the Company's agreement, as to each of the Company's subsidiaries involved in the distribution of gas through pipeline facilities in Massachusetts, Indiana, Ohio, Pennsylvania, Maryland, Kentucky and Virginia to implement and adhere to each of the recommendations from the NTSB stemming from the Greater Lawrence Incident. Pursuant to the DPA, if the Company complies with all of its obligations under the DPA, the U.S. Attorney's Office will not file any criminal charges against the Company related to the Greater Lawrence Incident.

Private Actions. Various lawsuits, including several purported class action lawsuits, were filed by various affected residents or businesses in Massachusetts state courts against the Company and/or Columbia of Massachusetts in connection with the Greater Lawrence Incident.

On March 12, 2020, the Court granted final approval of the settlement of the consolidated class action. With respect to claims not included in the consolidated class action, many of the asserted wrongful death and bodily injury claims have settled, and we continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

Shareholder Derivative Lawsuit. On April 28, 2020, a shareholder derivative lawsuit was filed by the City of Detroit Police and Fire Retirement System in the United States District Court for the District of Delaware against certain of the Company's current and former directors, alleging state-law claims for breaches of fiduciary duty with respect to the pipeline safety management systems relating to the distribution of natural gas prior to the Greater Lawrence Incident and also including federal-law claims related to our proxy statement disclosures regarding our safety systems. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of any unjust enrichment. The defendants filed a motion to dismiss the lawsuit and oral argument was held on March 2, 2021. On March 9, 2021, the district court granted the defendants' motion to dismiss. It dismissed the federal-law claims with prejudice for failure to state a claim on which relief can be granted and declined to exercise jurisdiction over the state-law claims, which were dismissed without prejudice.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Following the dismissal of the federal court action, on April 29, 2021, the same plaintiff filed a shareholder derivative lawsuit in the Delaware Court of Chancery against certain of our current and former directors. The new complaint alleged a single count for breach of fiduciary duty, and no longer alleged disclosure violations or breaches of federal securities laws. The complaint related to substantially the same matters as those alleged in the dismissed federal derivative complaint. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of compensation by the individual defendants. On May 19, 2021, the defendants filed a motion to dismiss the lawsuit, and on July 2, 2021, they filed their opening brief in support of the motion. On August 26, 2021, rather than respond to the defendants' motion to dismiss and opening brief, the plaintiff filed an amended complaint. Like the original complaint in the Delaware Court of Chancery, the amended complaint alleges a single count for breach of fiduciary duty, based on substantially similar allegations, and seeks substantially similar remedies. On September 10, 2021, the defendants filed a motion to dismiss. Briefing on the defendants' motion to dismiss was completed on January 10, 2022, and oral argument on the defendants' motion to dismiss took place on February 3, 2022. On June 30, 2022, the Court of Chancery issued a Memorandum Opinion granting the motion to dismiss. The deadline for the plaintiff to appeal the dismissal is August 12, 2022.

Other Claims and Proceedings. We are also party to certain other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, none of which we believe to be individually material at this time.

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. If one or more other 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.

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 June 30, 2022 and December 31, 2021, we had recorded a liability of \$98.2 million and \$91.1 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities" 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, NIPSCO 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 Gas Distribution Operations 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. No material changes to the estimated future

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

remediation costs were noted as a result of the refresh completed as of June 30, 2022. Our total estimated liability related to the facilities subject to remediation was \$91.9 million and \$85.1 million at June 30, 2022 and December 31, 2021, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. We believe that it is reasonably possible that remediation costs could vary by as much as \$17 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.

CCRs. We are in compliance with the EPA's final rule for the regulation of CCRs. The CCR rule also resulted in 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. NIPSCO will also continue to work with the EPA and the Indiana Department of Environmental Management to obtain administrative approvals associated with the CCR rule. In the event that the approvals are not obtained, future operations could be impacted. We cannot estimate the likelihood that the agencies will deny approvals or the financial impact on us if these approvals are not obtained.

D. Other Matters.

Generation Transition. 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. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC, successful execution by NIPSCO of an agreement with a tax equity partner and timely completion of construction. NIPSCO has received IURC approval for all of its BTAs and PPAs. In July 2022, NIPSCO amended two of its BTAs and is discussing potentially amending other BTAs and PPAs. Any amendments that result in increased project costs will require additional approval by the IURC in order to obtain recovery for increased costs. NIPSCO and the tax equity partner are obligated to make cash contributions to the joint venture that acquires the project at the date construction is substantially complete. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. 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 from the tax equity partner the remaining interest in the joint venture.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

16. Accumulated Other Comprehensive Loss

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

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of April 1, 2022	\$ (3.6)	\$ (75.5)	\$ (6.3)	\$ (85.4)
Other comprehensive income (loss) before reclassifications	(3.9)	55.9	(3.3)	48.7
Amounts reclassified from accumulated other comprehensive income (loss)	—	0.1	0.8	0.9
Net current-period other comprehensive income (loss)	(3.9)	56.0	(2.5)	49.6
Balance as of June 30, 2022	\$ (7.5)	\$ (19.5)	\$ (8.8)	\$ (35.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2022	\$ 2.1	\$ (122.5)	\$ (6.4)	\$ (126.8)
Other comprehensive income (loss) before reclassifications	(9.8)	102.9	(3.3)	89.8
Amounts reclassified from accumulated other comprehensive loss	0.2	0.1	0.9	1.2
Net current-period other comprehensive income (loss)	(9.6)	103.0	(2.4)	91.0
Balance as of June 30, 2022	\$ (7.5)	\$ (19.5)	\$ (8.8)	\$ (35.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of April 1, 2021	\$ 3.5	\$ (63.3)	\$ (15.7)	\$ (75.5)
Other comprehensive income (loss) before reclassifications	0.8	(49.8)	0.1	(48.9)
Amounts reclassified from accumulated other comprehensive loss	0.1	—	0.7	0.8
Net current-period other comprehensive income (loss)	0.9	(49.8)	0.8	(48.1)
Balance as of June 30, 2021	\$ 4.4	\$ (113.1)	\$ (14.9)	\$ (123.6)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2021	\$ 6.0	\$ (147.9)	\$ (14.8)	\$ (156.7)
Other comprehensive income (loss) before reclassifications	(1.4)	34.8	(1.3)	32.1
Amounts reclassified from accumulated other comprehensive loss	(0.2)	—	1.2	1.0
Net current-period other comprehensive income (loss)	(1.6)	34.8	(0.1)	33.1
Balance as of June 30, 2021	\$ 4.4	\$ (113.1)	\$ (14.9)	\$ (123.6)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

17. Other, Net

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

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest income	\$ 0.6	\$ 0.7	\$ 1.5	\$ 1.6
AFUDC equity	4.0	3.4	7.0	4.9
Pension and other postretirement non-service benefit	4.7	8.6	12.3	17.1
Miscellaneous	(0.3)	(0.3)	(0.9)	(0.7)
Total Other, net	\$ 9.0	\$ 12.4	\$ 19.9	\$ 22.9

18. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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. We use operating income as our primary measurement for each of the reported segments and make 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.

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	\$ 741.1	\$ 574.3	\$ 2,177.8	\$ 1,710.1
Intersegment	3.2	3.0	6.3	6.1
Total	744.3	577.3	2,184.1	1,716.2
Electric Operations				
Unaffiliated	437.1	403.5	867.2	806.0
Intersegment	0.2	0.2	0.4	0.4
Total	437.3	403.7	867.6	806.4
Corporate and Other				
Unaffiliated	5.0	8.2	11.5	15.5
Intersegment	120.7	117.4	234.2	221.3
Total	125.7	125.6	245.7	236.8
Eliminations	(124.1)	(120.6)	(240.9)	(227.8)
Consolidated Operating Revenues	\$ 1,183.2	\$ 986.0	\$ 3,056.5	\$ 2,531.6
Operating Income (Loss)				
Gas Distribution Operations	\$ 80.6	\$ 61.2	\$ 591.4	\$ 408.1
Electric Operations	72.6	79.6	171.8	167.5
Corporate and Other	(9.9)	1.4	(19.6)	(0.2)
Consolidated Operating Income	\$ 143.3	\$ 142.2	\$ 743.6	\$ 575.4

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	37
Summary of Consolidated Financial Results	39
Results and Discussion of Segment Operations	39
Gas Distribution Operations	40
Electric Operations	43
Liquidity and Capital Resources	47
Regulatory, Environmental and Safety Matters	51
Market Risk Disclosures	54
Other Information	55

[Table of Contents](#)

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, 2021.

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: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) embark 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 conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. The Safety Management System ("SMS") is an established operating model within NiSource. With the continued support and advice from our Quality Review Board (a panel of third parties with safety operations expertise engaged by management to advise on safety matters), we are continuing to mature our SMS processes, capabilities and talent as we collaborate within and across industries to enhance safety and reduce operational risk. Additionally, we continue to pursue regulatory and legislative initiatives that will allow customers not currently on our system to obtain gas and electric service in a cost effective manner.

Your Energy, Your Future: Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, as described in our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, but we are facing challenges as described below. As of June 30, 2022, we have executed and received IURC approval for BTAs and PPAs with a combined nameplate capacity of 1,950 MW and 1,380 MW, respectively, under the 2018 Plan. Further, we have placed three wind projects into service and completed the retirement of R.M. Schahfer Generating Station Units 14 and 15. We anticipate delays on our previously announced solar and storage projects due to several factors, including the U.S. Department of Commerce investigation. In connection with these delays, we currently expect to retire R.M. Schahfer's remaining two coal units by the end of 2025. In June 2022, the Biden Administration announced a 24-month tariff relief on solar panels subject to the ongoing U.S. Department of Commerce investigation and authorized the use of the Defense Production Act of 1950, as amended (the "Defense Production Act"), to accelerate domestic production of clean energy technologies, including solar panel parts. For additional information, see "Results and Discussion of Segment Operations - Electric 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 lays out a timeline to retire the Michigan City Generating Station which is expected to occur between 2026 and 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 natural gas peaking unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. The planned retirement of the two vintage gas peaking units at the R.M. Schahfer Generating Station is expected to occur between 2025 and 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval. We are continuing to evaluate potential projects under the 2021 Plan.

NiSource Next: Starting in 2021, we optimized our workforce by redefining roles to sharpen our focus on safety and risk mitigation, operational rigor, and adherence to process and procedures, as well as implemented consistent span of control for leadership to increase individual responsibility and clear accountability. Additionally, we began to make advancements across our operations to improve safety, operational efficiencies, and customer satisfaction through continued standardization of work

[Table of Contents](#)

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

NiSource Inc.

processes, the implementation of new mobile technology to provide real-time access to information while serving our customers and enhanced customer self-service options to better meet customer expectations. These enhancements set the foundation for 2022 and beyond, to continue improving safety and customer experience through analytics and significant technology investments.

Economic Environment: We are monitoring risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of decreased construction labor productivity in the event of disruptions in the availability of materials. We are also seeing increasing prices associated with certain materials and supplies. To the extent that delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

In the first half of 2022, NIPSCO experienced a rail service shortage in deliveries of coal, particularly to its Michigan City Generating Station, and the primary rail carrier for that generating station was unable to provide assurance of adequate future service to maintain coal inventory. A lack of adequate coal deliveries to any of our coal-fired generating facilities for an extended period could deplete our inventories to a level that prevents the generating station from running, and NIPSCO would need to rely on market purchases of replacement power, which could increase the cost of electricity for NIPSCO's customers. NIPSCO believes these shortages have been resolved but continues to monitor deliveries of coal from its rail carriers. We do not expect this to have a material impact on our operations.

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 competitive and attractive appeal for potential recruits. With a focus on workforce planning, we are creating flexible work arrangements where we can, and being anticipatory in evaluating our talent footprint for the future to ensure we have the right people, in the right role, and at the right time. To the extent we are unable to execute on our workforce planning initiatives and experience increased employee and contractor costs, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

We have seen an increase in natural gas costs as the spot market for natural gas has substantially increased since the start of 2022. Low levels of gas in storage, continued liquified natural gas demand to ship U.S. supplies to Europe, and domestic production that has not increased commensurate with overall demand have contributed to the steep rise in gas commodity costs, which we expect to have an effect on customer bills through 2022. For the six months ended June 30, 2022, we have not seen this increase have a material impact on our results of operations. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and " - Market Risk Disclosures."

[Table of Contents](#)

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 and six months ended June 30, 2022 and 2021 are presented below:

<i>(in millions, except per share amounts)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Favorable (Unfavorable)	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 1,183.2	\$ 986.0	\$ 197.2	\$ 3,056.5	\$ 2,531.6	\$ 524.9
Operating Expenses						
Cost of energy	383.7	228.3	(155.4)	1,090.4	705.1	(385.3)
Other Operating Expenses	656.2	615.5	(40.7)	1,222.5	1,251.1	28.6
Total Operating Expenses	1,039.9	843.8	(196.1)	2,312.9	1,956.2	(356.7)
Operating Income	143.3	142.2	1.1	743.6	575.4	168.2
Total Other Deductions, net	(75.5)	(72.1)	(3.4)	(148.3)	(146.2)	(2.1)
Income Taxes	12.0	13.2	1.2	108.2	75.8	(32.4)
Net Income	55.8	56.9	(1.1)	487.1	353.4	133.7
Net income attributable to noncontrolling interest	(11.2)	(3.4)	7.8	(6.7)	(2.4)	4.3
Net Income Attributable to NiSource	67.0	60.3	6.7	493.8	355.8	138.0
Preferred dividends	(13.8)	(13.8)	—	(27.6)	(27.6)	—
Net Income Available to Common Shareholders	53.2	46.5	6.7	466.2	328.2	138.0
Earnings Per Share						
Basic Earnings Per Share	\$ 0.13	\$ 0.12	\$ 0.01	\$ 1.15	\$ 0.84	\$ 0.31
Diluted Earnings Per Share	\$ 0.12	\$ 0.11	\$ 0.01	\$ 1.06	\$ 0.80	\$ 0.26

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

Net income available to common shareholders for the three months ended June 30, 2022 is comparable to the same period in 2021. The increase in net income available to common shareholders during the six months ended June 30, 2022 was primarily due to higher revenues from outcomes of gas base rate proceedings and regulatory capital programs, as well as an insurance settlement related to the Greater Lawrence Incident, offset by higher income taxes in 2022 compared to the 2021.

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

Other Deductions, net

Other deductions, net for the three and six months ended June 30, 2022 is comparable to the same periods in 2021. See Note 13, "Long-Term Debt," Note 14, "Short-Term Borrowings," and Note 11, "Pension and Other Postretirement Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 10, "Income Taxes," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three and six months ended June 30, 2022 and 2021 are presented below.

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Favorable (Unfavorable)	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 744.3	\$ 577.3	\$ 167.0	\$ 2,184.1	\$ 1,716.2	\$ 467.9
Operating Expenses						
Cost of energy	253.4	129.0	(124.4)	842.5	508.0	(334.5)
Operation and maintenance	259.8	243.9	(15.9)	537.1	492.7	(44.4)
Depreciation and amortization	102.2	93.6	(8.6)	202.9	186.5	(16.4)
Loss (gain) on sale of fixed assets and impairments, net	—	—	—	(105.0)	8.1	113.1
Other taxes	48.3	49.6	1.3	115.2	112.8	(2.4)
Total Operating Expenses	663.7	516.1	(147.6)	1,592.7	1,308.1	(284.6)
Operating Income	\$ 80.6	\$ 61.2	\$ 19.4	\$ 591.4	\$ 408.1	\$ 183.3
Revenues						
Residential	\$ 462.8	\$ 380.8	\$ 82.0	\$ 1,440.4	\$ 1,163.1	\$ 277.3
Commercial	161.3	127.4	33.9	518.8	400.3	118.5
Industrial	48.3	44.4	3.9	116.4	102.6	13.8
Off-System	59.1	17.0	42.1	77.8	31.4	46.4
Other	12.8	7.7	5.1	30.7	18.8	11.9
Total	\$ 744.3	\$ 577.3	\$ 167.0	\$ 2,184.1	\$ 1,716.2	\$ 467.9
Sales and Transportation (MMDth)						
Residential	33.3	30.7	2.6	156.2	149.1	7.1
Commercial	28.5	27.2	1.3	108.4	101.5	6.9
Industrial	114.9	124.7	(9.8)	250.0	261.1	(11.1)
Off-System	8.3	6.2	2.1	12.6	11.6	1.0
Other	—	—	—	0.2	0.2	—
Total	185.0	188.8	(3.8)	527.4	523.5	3.9
Heating Degree Days	565	606	(41)	3,406	3,309	97
Normal Heating Degree Days	544	551	(7)	3,368	3,405	(37)
% Colder (Warmer) than Normal	4 %	10 %		1 %	(3)%	
% Colder (Warmer) than 2021	(7)%			3 %		
Gas Distribution Customers						
Residential				2,962,126	2,950,269	11,857
Commercial				252,591	252,235	356
Industrial				4,883	4,943	(60)
Other				5	3	2
Total				3,219,605	3,207,450	12,155

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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

The underlying reasons for changes in our operating revenues for the three and six months ended June 30, 2022 compared to the same periods in 2021 are presented below.

Changes in Operating Revenues (in millions)	Favorable (Unfavorable)	
	Three Months Ended June 30, 2022 vs 2021	Six Months Ended June 30, 2022 vs 2021
New rates from base rate proceedings and regulatory capital programs	\$ 23.9	\$ 85.0
Increased (decreased) customer usage	3.3	(1.5)
Higher revenue related to off system sales	1.4	4.1
The effects of customer growth	1.3	3.6
Higher revenue due to the effects of resuming common credit mitigation practices	1.2	3.0
The effects of weather in 2022 compared to 2021	0.2	10.7
Other	4.1	6.8
Change in operating revenues (before cost of energy and other tracked items)	\$ 35.4	\$ 111.7
Operating revenues offset in operating expense		
Higher cost of energy billed to customers	124.4	334.5
Higher tracker deferrals within operation and maintenance, depreciation, and tax	7.2	21.7
Total change in operating revenues	\$ 167.0	\$ 467.9

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 Gas Distribution 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 decrease in total volumes for the three months ended June 30, 2022 compared to the same period in 2021 is primarily attributable to the effects of warmer weather.

The increase in total volumes for the six months ended June 30, 2022 compared to the same period in 2021 is primarily attributable to the effects of colder weather.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution 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 Gas Distribution 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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

The underlying reasons for changes in our operating expenses for the three and six months ended June 30, 2022 compared to the same periods in 2021 are presented below.

Changes in Operating Expenses <i>(in millions)</i>	Favorable (Unfavorable)	
	Three Months Ended June 30, 2022 vs 2021	Six Months Ended June 30, 2022 vs 2021
Higher employee and administrative related expenses	\$ (9.2)	\$ (21.9)
Higher depreciation and amortization expense	(8.2)	(16.0)
Higher materials and supplies expense	(4.0)	(7.4)
Higher outside services expenses	(3.3)	(8.6)
Higher environmental remediation costs	(3.1)	(3.6)
Lower NiSource Next program expenses	7.2	11.8
Lower other than income taxes primarily related to property tax expense	5.5	5.7
The loss on sale and expenses related to the Massachusetts Business in 2021	1.8	14.2
Property insurance settlement related to the Greater Lawrence Incident	—	105.0
Other	(2.7)	(7.6)
Change in operating expenses (before cost of energy and other tracked items)	\$ (16.0)	\$ 71.6
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers	(124.4)	(334.5)
Higher tracker deferrals within operation and maintenance, depreciation, and tax	(7.2)	(21.7)
Total change in operating expense	\$ (147.6)	\$ (284.6)

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three and six months ended June 30, 2022 and 2021 are presented below.

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Favorable (Unfavorable)	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 437.3	\$ 403.7	\$ 33.6	\$ 867.6	\$ 806.4	\$ 61.2
Operating Expenses						
Cost of energy	130.4	99.3	(31.1)	248.0	197.1	(50.9)
Operation and maintenance	124.2	127.3	3.1	240.8	246.4	5.6
Depreciation and amortization	96.0	83.7	(12.3)	178.9	167.1	(11.8)
Other taxes	14.1	13.8	(0.3)	28.1	28.3	0.2
Total Operating Expenses	364.7	324.1	(40.6)	695.8	638.9	(56.9)
Operating Income	\$ 72.6	\$ 79.6	\$ (7.0)	\$ 171.8	\$ 167.5	\$ 4.3
Revenues						
Residential	\$ 137.1	\$ 131.9	\$ 5.2	\$ 275.6	\$ 261.1	\$ 14.5
Commercial	134.7	129.9	4.8	269.2	252.8	16.4
Industrial	138.9	119.2	19.7	268.9	242.3	26.6
Wholesale	3.9	3.1	0.8	6.5	6.5	—
Other	22.7	19.6	3.1	47.4	43.7	3.7
Total	\$ 437.3	\$ 403.7	\$ 33.6	\$ 867.6	\$ 806.4	\$ 61.2
Sales (GWh)						
Residential	845.4	821.0	24.4	1,664.6	1,625.6	39.0
Commercial	915.3	904.2	11.1	1,800.6	1,772.1	28.5
Industrial	1,994.7	2,150.8	(156.1)	4,002.5	4,214.1	(211.6)
Wholesale	27.7	12.4	15.3	32.1	44.5	(12.4)
Other	24.5	20.3	4.2	49.6	47.6	2.0
Total	3,807.6	3,908.7	(101.1)	7,549.4	7,703.9	(154.5)
Cooling Degree Days	342	318	24	342	318	24
Normal Cooling Degree Days	247	239	8	247	239	8
% Warmer than Normal	38 %	33 %		38 %	33 %	
% Warmer than 2021	8 %			8 %		
Electric Customers						
Residential				423,365	420,347	3,018
Commercial				58,156	57,637	519
Industrial				2,133	2,148	(15)
Wholesale				712	719	(7)
Other				3	2	1
Total				484,369	480,853	3,516

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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating revenues for the three and six months ended June 30, 2022 compared to the same periods in 2021 are presented below.

Changes in Operating Revenues (in millions)	Favorable (Unfavorable)	
	Three Months Ended June 30, 2022 vs 2021	Six Months Ended June 30, 2022 vs 2021
FAC adjustment ⁽¹⁾	\$ (8.0)	\$ (8.0)
Decreased customer usage	(1.9)	(5.1)
PPA revenue from renewable joint venture projects, mostly offset by JV operating expenses	6.2	14.7
The effects of weather in 2022 compared to 2021	2.0	3.5
The effects of customer growth	1.2	2.5
New rates from regulatory capital and DSM programs	1.1	2.2
Other	1.8	2.8
Change in operating revenues (before cost of energy and other tracked items)	\$ 2.4	\$ 12.6
Operating revenues offset in operating expense		
Higher cost of energy billed to customers	31.1	50.9
Higher (lower) tracker deferrals within operation and maintenance, depreciation and tax	0.1	(2.3)
Total change in operating revenues	\$ 33.6	\$ 61.2

⁽¹⁾See Note 6, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information.

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year 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 heating or cooling degree day comparison.

Sales

The decrease in total volumes sold for the three and six months ended June 30, 2022 compared to the same periods in 2021 was primarily attributable to decreased usage primarily by industrial customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides 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 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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating expenses for the three and six months ended June 30, 2022 compared to the same periods in 2021 are presented below.

Changes in Operating Expenses (in millions)	Favorable (Unfavorable)	
	Three Months Ended June 30, 2022 vs 2021	Six Months Ended June 30, 2022 vs 2021
Expenses related to the accelerated retirement of the R.M. Schahfer Generating Station's coal Units 14 and 15 in 2021	\$ 8.6	\$ 8.6
Lower NiSource Next program expenses	2.9	4.3
Lower outside services expenses	0.5	6.4
Higher depreciation and amortization expense driven by the joint venture depreciation adjustment ⁽¹⁾	(10.1)	(6.9)
Renewable joint venture project expenses, offset by JV operating revenues	(6.1)	(13.0)
Effects of environmental recoveries in 2021	(1.3)	(6.5)
Other	(3.9)	(1.2)
Change in operating expenses (before cost of energy and other tracked items)	\$ (9.4)	\$ (8.3)
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers	(31.1)	(50.9)
Lower (higher) tracker deferrals within operation and maintenance, depreciation and tax	(0.1)	2.3
Total change in operating expense	\$ (40.6)	\$ (56.9)

⁽¹⁾See Note 6, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information.

Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan, which outlines plans to retire its remaining coal-fired generation by 2026-2028, to be replaced by lower-cost, reliable and cleaner options. We expect to have capital investment requirements of approximately \$2.0 billion, primarily between 2022 and 2024, with any remainder expected in 2025, to replace the generation capacity of R.M. Schahfer Generating Station's coal-fired units. We retired R.M. Schahfer Generating Station Units 14 and 15 on October 1, 2021. The remaining two coal units are currently expected to be retired by the end of 2025. See "Expected Project Delays" discussion, below, for anticipated barriers to the success of our electric generation transition.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from this 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. Our current replacement program will be augmented by the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

[Table of Contents](#)

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

**NiSource Inc.
Electric Operations**

Under our current replacement plan, three wind projects have been placed into service, totaling approximately 804 MW of nameplate capacity. The following table summarizes the remaining executed PPAs and BTAs from our generation transition that have yet to begin commercial operations. All announced projects below have received IURC approval. Amendments are subject to additional IURC approval, as discussed in Note 15, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited).

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)	Original Targeted Construction Completion	Estimated Construction Completion
Dunn's Bridge I ⁽¹⁾	BTA	Solar	265	—	Q4 2022	2023
Indiana Crossroads ⁽¹⁾	BTA	Solar	200	—	Q4 2022	2023
Dunn's Bridge II ⁽¹⁾	BTA	Solar & Storage	435	75	Q4 2023	2023 - 2024
Cavalry ⁽¹⁾	BTA	Solar & Storage	200	60	Q4 2023	2023 - 2024
Fairbanks ⁽¹⁾	BTA	Solar	250	—	Q3 2023	2024 - 2025
Elliott ⁽¹⁾	BTA	Solar	200	—	Q2 2023	2024 - 2025
Indiana Crossroads II	15 year PPA	Wind	204	—	Q4 2023	2023
Brickyard	20 year PPA	Solar	200	—	Q4 2022	2024
Greensboro	20 year PPA	Solar & Storage	100	30	Q4 2022	2023 - 2024
Gibson	22 year PPA	Solar	280	—	Q2 2023	2024
Green River	20 year PPA	Solar	200	—	Q2 2023	2024

⁽¹⁾Ownership of the facility will be transferred to joint ventures whose members include NIPSCO and an unrelated tax equity partner.

Expected Project Delays. Compared to the previously disclosed targeted construction completion dates in our Annual Report on Form 10-K for the year ended December 31, 2021, we estimate delays for most projects to range from six to 18 months, resulting in the majority of our projects, and investment, being in service in 2023 and 2024. We do not currently anticipate any delays to the 2023 in-service date of our outstanding wind energy project. The expected delays and inflationary cost pressures communicated from the developers of our solar and storage projects are primarily due to (i) unavailability of solar panels and other uncertainties related to the pending U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd., (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring potential delays communicated by the developers of our renewable energy projects related to local permitting processes and obtaining interconnection rights. Preliminary findings from the DOC Investigation, including potential tariff amounts, are expected to be released in August 2022, with a final decision expected between January 2023 and March 2023. We have received and are evaluating several notices of possible force majeure from developers in connection with solar panel availability. The resolution of these issues, including the final conclusion of the DOC Investigation will determine what additional costs or delays our solar projects will be subject to as a result of any tariffs imposed. If any of these impacts result in cost increases for certain projects, such potential impacts are expected to result in the need for us to seek additional regulatory review and approvals. Additionally, significant changes to project costs and schedules as a result of these factors could impact the viability of the projects.

In June 2022, the U.S. Department of Homeland Security published its Uyghur Forced Labor Prevention Act Entity List (the "List"). None of the developers or suppliers of our renewable energy projects were named on the List. Additionally, the Biden Administration announced a 24-month tariff relief on solar panels subject to the ongoing U.S. Department of Commerce investigation and authorized the use of the Defense Production Act, to accelerate domestic production of clean energy technologies, including solar panel parts.

We, along with the developers of these generation projects, are continuously evaluating potential impacts to the targeted completion date of each project. Delays to the completion dates of our projects could also include delays in the financial return of certain investments and impact the overall timing of our electric generation transition. Although we are not currently expecting delays to extend the completion dates of our six solar and storage BTA projects beyond the currently planned sunset of investment tax credits at the end of 2025, if such delays occur, they could impact the economic viability of the projects.

[Table of Contents](#)

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 \$1.5 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 February 18, 2022, we amended our revolving credit agreement to, among other things, extend its term to February 18, 2027. The commercial paper program and credit facility provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves our desired capital structure. On June 10, 2022, we completed the issuance and sale of \$350.0 million of 5.00% senior unsecured notes maturing in 2052, which resulted in approximately \$344.6 million of net proceeds after discount and debt issuance costs. We intend to disburse an amount equal to the net proceeds of the notes to finance, in whole or in part, the acquisition of our 302 MW Indiana Crossroads Wind project and 102 MW Rosewater Wind project from the project developer. We utilize an ATM equity program that allows us to issue and sell shares of our common stock up to an aggregate issuance of \$750.0 million through December 31, 2023. As of June 30, 2022, the ATM program (including the impact of the forward sale agreement) had approximately \$300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for more information on our ATM program and Equity Units.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2022 and beyond.

Greater Lawrence Incident. As discussed in Note 15, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited), due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim related to the Greater Lawrence Incident will not continue to have an adverse impact on our cash flows. Through income generated from operating activities, amounts available under the short-term revolving credit facility, and our ability to access capital markets, we believe we have adequate capital available to settle remaining anticipated claims associated with the Greater Lawrence Incident.

Operating Activities

Net cash from operating activities for the six months ended June 30, 2022 was \$907.2 million, an increase of \$204.2 million compared to the six months ended June 30, 2021. This increase was primarily driven by year over year increased cash inflows related to the collection in 2022 of under-recovered gas and fuel costs from the prior year. We also received a refund in 2022 from a gas supplier that will be passed back to customers through the GCA mechanism in each affected jurisdiction.

Investing Activities

Net cash used for investing activities for the six months ended June 30, 2022 was \$951.1 million, an increase of \$88.7 million compared to the six months ended June 30, 2021. Our current year investing activities were comprised of increased capital expenditures related to system growth and reliability and a payment to a renewable generation asset developer related to the Dunn's Bridge I construction milestone payment, which were offset by insurance recoveries in the current year.

As we evaluate adjustments to renewable generation project timing, we remain on track to make capital investments totaling approximately \$8 billion during the 2022-2024 period. We expect to have capital investment requirements of approximately \$2.0 billion, primarily between 2022 and 2024, with any remainder expected in 2025, to replace the generation capacity of R.M. Schahfer Generating Station's coal-fired units. To partially compensate for delays in renewable generation projects, we are accelerating other gas and electric infrastructure capital investments into 2022 and 2023. These forecasted capital investments and those included in our Annual Report on Form 10-K for the year ended December 31, 2021, are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates. For example, the timing and ultimate cost associated with solar and battery storage capital expenditures may vary due to the U.S. Department of Commerce's investigation into an Antidumping and Countervailing Duties circumvention claim on solar cells and panels supplied from Malaysia, Vietnam, Thailand and Cambodia. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

[Table of Contents](#)

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

NiSource Inc.

Regulatory Capital Programs. We replace pipe and modernize our gas infrastructure to enhance safety and reliability by reducing leaks, which subsequently reduces GHG emissions. In 2022, 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 currently in rates or pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered ⁽¹⁾	Rates Effective
Columbia of Ohio ⁽²⁾	IRP - 2022	\$ 25.0	\$ 232.9	1/21-12/21	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe, (3) natural gas risers prone to failure and (4) installation of AMR devices.	May 2022
Columbia of Ohio ⁽²⁾	CEP - 2022	32.2	253.5	1/21-12/21	Assets not included in the IRP.	September 2022
NIPSCO - Gas	TDSIC 4	17.2	77.5	7/21-12/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	July 2022
NIPSCO - Gas ⁽³⁾	FMCA 1	8.4	14.1	10/21-3/22	Project costs to comply with federal mandates.	October 2022
Columbia of Virginia ⁽⁴⁾	SAVE - 2022	4.0	63.0	1/22-12/22	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2022
Columbia of Maryland	STRIDE - 2022	\$ 1.3	\$ 17.5	1/22-12/22	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2022
NIPSCO - Electric ⁽⁵⁾	TDSIC - 9	\$ 0.2	\$ 42.7	2/21-5/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	February 2022
NIPSCO - Electric ⁽⁶⁾	TDSIC - 1	\$ 10.4	\$ 148.5	6/21-1/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2022

⁽¹⁾Programs do not include any costs already included in base rates.

⁽²⁾The January through March 2021 investments included in these filings are also included in the pending Columbia of Ohio rate case. The infrastructure filings will be adjusted to reflect the final rate case outcome.

⁽³⁾NIPSCO filed a new CPCN on April 1, 2022 for an additional Pipeline Safety III Compliance Plan, including \$235.3M in capital and \$34.1M in O&M expense project investments.

⁽⁴⁾Columbia of Virginia filed its application to amend and extend its SAVE program with the Virginia SCC on August 12, 2021, requesting approval of a two-year SAVE program for calendar years 2022-2023 that includes incremental capital investments of \$63.0 million and \$72.0 million, respectively. The Commission approved the Company's application in its December 6, 2021 Order Approving SAVE Rider.

⁽⁵⁾On April 1, 2021, NIPSCO filed a notice with the IURC that it intended to terminate its current Electric TDSIC plan effective May 31, 2021. NIPSCO filed the TDSIC-9 petition on September 28, 2021, with capital investment through the plan termination date of May 2021, and received an order on January 26, 2022 approving TDSIC-9.

⁽⁶⁾NIPSCO filed for a new electric TDSIC plan on June 1, 2021. An order approving NIPSCO's new electric TDSIC plan was received on December 28, 2021. NIPSCO filed its first tracker, TDSIC - 1, on March 30, 2022. An order was received and approved on July 27, 2022.

In 2022, NIPSCO filed additional petitions associated with the FMCA program to recover federally mandated compliance investments.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated \$40.0 million of federally mandated retirement costs. NIPSCO is requesting all associated accounting and ratemaking relief, including establishment of a periodic rate adjustment through the FMCA mechanism. Refer to Note 15, "Other Commitments and Contingencies - C. Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

On April 1, 2022, NIPSCO Gas filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for a Pipeline Safety III Compliance Plan. The federally mandated costs include a total estimated \$228.7 million of capital costs as well as \$34.1 million of operation and maintenance programs. NIPSCO Gas is requesting all associated accounting and ratemaking relief, including establishment of a periodic rate adjustment mechanism.

[Table of Contents](#)

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

NiSource Inc.

Financing Activities

Common Stock, Preferred Stock and Equity Units. Refer to Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock activity.

Long-Term Debt. Refer to Note 13, "Long-Term Debt," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on long-term debt.

Short-Term Debt and Sale of Trade Accounts Receivables. Refer to Note 14, "Short-Term Borrowings," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity, including sale of trade accounts receivable.

Noncontrolling Interest. Refer to Note 12, "Variable Interest Entities," in the Notes to 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 June 30, 2022 and December 31, 2021:

<i>(in millions)</i>	June 30, 2022	December 31, 2021
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	285.0	251.2
<i>Less:</i>		
Commercial Paper	270.0	560.0
Accounts Receivable Programs Utilized	285.0	—
Letters of Credit Outstanding Under Credit Facility	14.7	18.9
<i>Add:</i>		
Cash and Cash Equivalents	77.8	84.2
Net Available Liquidity	\$ 1,643.1	\$ 1,606.5

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

Debt Covenants. We are subject to financial covenants under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70%. As of June 30, 2022, the ratio was 57.3%.

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 June 30, 2022. 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 June 30, 2022, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$65.8 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.

[Table of Contents](#)

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

NiSource Inc.

Equity. Our authorized capital stock consists of 620,000,000 shares, \$0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of June 30, 2022, 405,878,297 shares of common stock and 1,302,500 shares of preferred 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, 2021. Except for our June debt issuance, there were no additional material changes from year-end during the six months ended June 30, 2022. Refer to Note 13, "Long-Term Debt," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuance.

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 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.

[Table of Contents](#)

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 Gas Distribution 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 offers 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 Gas Distribution 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 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. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric 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 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 will continue efforts to design rates that increase the certainty of recovery of fixed costs.

[Table of Contents](#)

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	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Currently Approved in Current or Future Rates							
Columbia of Pennsylvania ⁽¹⁾	10.95 %	None specified	\$ 98.3	\$ 58.5	March 30, 2021	Approved December 16, 2021	December 2021
Columbia of Maryland	10.85 %	9.65 %	\$ 4.8	\$ 2.4	May 14, 2021	Approved December 3, 2021	December 2021
Columbia of Kentucky ⁽²⁾	10.30 %	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	Approved December 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	10.95 %	None specified	\$ 14.2	\$ 1.3	August 28, 2018	Approved June 12, 2019	February 2019
Columbia of Ohio	11.50 %	10.39 %	\$ 87.8	\$ 47.1	March 3, 2008	Approved December 3, 2008	December 2008
NIPSCO - Gas	10.70 %	9.85 %	\$ 138.1	\$ 105.6	September 27, 2017	Approved September 19, 2018	October 2018
NIPSCO - Electric	10.80 %	9.75 %	\$ 21.4	(\$ 53.5)	October 31, 2018	Approved December 4, 2019	January 2020
Active Rate Cases							
Columbia of Ohio ⁽⁴⁾	10.95 %	In process	\$ 221.4	In process	June 30, 2021	Pending	Pending
NIPSCO - Gas ⁽⁵⁾	10.50 %	9.85 %	\$ 109.7	\$ 71.8	September 29, 2021	Approved July 27, 2022	September 2022
Columbia of Pennsylvania	11.20 %	In process	\$ 82.2	In process	March 18, 2022	Order Expected Q4 2022	December 2022
Columbia of Virginia ⁽⁶⁾	10.75 %	In process	\$ 40.6	In process	April 29, 2022	Order Expected Q1 2023	October 2022
Columbia Gas of Maryland	10.95 %	In process	\$ 5.5	In process	May 13, 2022	Order Expected Q4 2022	December 2022

⁽¹⁾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 without specifying ratemaking elements to establish the Company's revenue requirement. Pursuant to the settlement, for purposes of calculating its DSIC, Columbia of Pennsylvania shall use the equity return rate for gas utilities contained in the Pennsylvania Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities, including quarterly updates thereto.

⁽²⁾The approved ROE for natural gas capital riders (e.g. SMRP) is 9.275%.

⁽³⁾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 filings.

⁽⁴⁾A proposed Incremental Revenue of \$212.3M is reflected in the update filed with the PUCO on March 31, 2022. Changes to the timeline for the Columbia Gas of Ohio rate case have been modified in light of the needed additional time for settlement negotiations and the litigation process to come to completion.

⁽⁵⁾New rates will be implemented in 2 steps, with implementation of step 1 rates to be effective in September 2022 and step 2 rates to be effective in March 2023.

⁽⁶⁾The revenue request including the SAVE tracker related amount is \$58.2 million. Beginning October 2022, interim rates will be billed subject to refund, pending a final commission order.

PHMSA Regulations

On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law, reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA 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. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement and utilize advanced leak detection technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment. Natural gas companies, including NiSource and our subsidiaries, may see increased costs depending on how PHMSA implements the new mandates resulting from the PIPES Act.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

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.

Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows. We continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act, passed in November 2021, the draft Inflation Reduction Act of 2022, and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their final form or impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and are evaluating how they may align with our strategy going forward. The energy-related provisions 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 over the next five years.

Federal Policy. In February 2021, the United States rejoined 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. Subsequently, the Biden Administration released 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 pathways to reach these goals.

On June 30, 2022, the Supreme Court of the United States ruled for the petitioners in *West Virginia v. EPA*, which examined the authority of the EPA to regulate GHG emissions from the power sector. We will continue to evaluate this matter, but we remain committed to our previously stated carbon reduction goals.

State Policy. The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, the Virginia Energy Innovation Act ("the 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 is required to adopt a plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the 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 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. Columbia of Maryland will continue to monitor this matter, but we cannot predict its final impact on our business at this time.

NIPSCO, Columbia of Maryland, Columbia of Pennsylvania and Columbia of Virginia each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows 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.

In response to these transition risks and opportunities, we continue to actively implement our plans to reduce Scope 1 GHG emissions by 90% from 2005 levels by 2030, and to significantly reduce methane emissions, a component of Scope 1 GHG emissions. These plans include the retirement of coal-fired electric generation, increased sourcing of renewable energy, and

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

methane reductions from priority pipeline replacement, traditional leak detection and repair, and deployment of advanced leak detection and repair. As of the end of 2021, we had reduced Scope 1 GHG emissions by approximately 58% from 2005 levels. Additionally, we are active in several efforts to accelerate the development and demonstration of lower-carbon energy technologies and resources, such as hydrogen and RNG, to enable affordable pathways to economy-wide decarbonization.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans. Additionally, as discussed above in this Management's Discussion within "Liquidity and Capital Resources - Regulatory Capital Programs," our natural gas distribution companies are lowering methane emissions by replacing aging infrastructure, which also increases safety and reliability for customers and communities.

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 Operations 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 7, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of June 30, 2022 and December 31, 2021.

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 \$1.2 million and \$2.7 million for the three and six months ended June 30, 2022, and \$0.2 million and \$1.4 million for the three and six months ended June 30, 2021, 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.

Refer to Note 7, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of June 30, 2022 and December 31, 2021.

[Table of Contents](#)

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

NiSource Inc.

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 closely monitor the financial status of our banking credit providers. 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.

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, 2021. There were no material changes made as of June 30, 2022.

Recently Issued Accounting Pronouncements

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

[Table of Contents](#)

NiSource Inc.

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.

[Table of Contents](#)

NiSource Inc.

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 Condensed Consolidated Financial Statements (unaudited). This information is supplemented by Note 15, "Other Commitments and Contingencies" in the Notes to Condensed Consolidated Financial Statements (unaudited) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022.

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, 2021, as supplemented by the risk factor set forth in Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022.

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

None.

[Table of Contents](#)

ITEM 6. EXHIBITS

NiSource Inc.

- (4.1) [Form of 5.000% Notes due 2052 \(incorporated by reference to Exhibit 4.1 to the NiSource Inc. Form 8-K filed on June 10, 2022\).](#)
- (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.

[Table of Contents](#)

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: August 3, 2022

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer)

Exhibit 31.1

**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 for the quarter ended June 30, 2022;
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(s) 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: August 3, 2022

By:

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Exhibit 31.2

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

I, Donald E. Brown, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended June 30, 2022;
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(s) 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: August 3, 2022

By:

/s/ Donald E. Brown
Donald E. Brown
Executive Vice President and Chief Financial
Officer

Exhibit 32.1

**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 June 30, 2022 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 results of operations of the Company.

/s/ Lloyd M. Yates

Lloyd M. Yates
President and Chief Executive Officer

Date: August 3, 2022

Exhibit 32.2

**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 June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Brown, 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 results of operations of the Company.

/s/ Donald E. Brown

Donald E. Brown
Executive Vice President and Chief Financial Officer

Date: August 3, 2022

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 September 30, 2022

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 Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	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: 406,134,342 shares outstanding at October 31, 2022.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I</u> <u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	15
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	36
Item 3. Quantitative and Qualitative Disclosures About Market Risk	57
Item 4. Controls and Procedures	57
<u>PART II</u> <u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	58
Item 1A. Risk Factors	58
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	58
Item 3. Defaults Upon Senior Securities	58
Item 4. Mine Safety Disclosures	58
Item 5. Other Information	58
Item 6. Exhibits	59
Signature	60

DEFINED TERMS

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

NiSource Subsidiaries and Affiliates

Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Massachusetts	Bay State Gas Company
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
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

Abbreviations and Other

AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	At-the-market
BTA	Build-transfer agreement
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019 and its variants, including the Delta and Omicron variants, and any other variant that may emerge
DPU	Department of Public Utilities
DSIC	Distribution System Improvement Charge
EPA	United States Environmental Protection Agency
EPS	Earnings per share
Equity Units	Series A Equity Units
FAC	Fuel adjustment clause
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
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
LIBOR	London InterBank Offered Rate

DEFINED TERMS

LIHEAP	Low Income Heating Energy Assistance Programs
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NTSB	National Transportation Safety Board
NYMEX	New York Mercantile Exchange
OPEB	Other Postemployment Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PUCO	Public Utilities Commission of Ohio
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)
SEC	Securities and Exchange Commission
Section 201 Tariffs	Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026
SMRP	Safety Modification and Replacement Program
STRIDE	Strategic Infrastructure Development Enhancement
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
U.S. Attorney's Office	U.S. Attorney's Office for the District of Massachusetts
VIE	Variable Interest Entity

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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 adapt to, and manage costs related to, advances in 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, many 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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	15
1. Basis of Accounting Presentation	15
2. Recent Accounting Pronouncements	15
3. Revenue Recognition	15
4. Earnings Per Share	19
5. Equity	20
6. Regulatory Matters	21
7. Risk Management Activities	22
8. Fair Value	24
9. Income Taxes	27
10. Pension and Other Postretirement Benefits	27
11. Variable Interest Entities	28
12. Long-Term Debt	30
13. Short-Term Borrowings	30
14. Other Commitments and Contingencies	31
15. Accumulated Other Comprehensive Loss	34
16. Other, Net	35
17. Business Segment Information	35

[Table of Contents](#)

PART I

ITEM 1. FINANCIAL STATEMENTS

**NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(in millions, except per share amounts)</i>				
Operating Revenues				
Customer revenues	\$ 1,058.2	\$ 918.8	\$ 4,055.0	\$ 3,377.7
Other revenues	31.3	40.6	91.0	113.3
Total Operating Revenues	1,089.5	959.4	4,146.0	3,491.0
Operating Expenses				
Cost of energy	330.8	208.3	1,421.2	913.4
Operation and maintenance	347.9	351.1	1,124.1	1,075.4
Depreciation and amortization	203.2	188.9	604.6	560.2
Loss (gain) on sale of assets, net	(0.3)	(1.1)	(105.3)	6.9
Other taxes	51.2	65.1	201.1	212.6
Total Operating Expenses	932.8	812.3	3,245.7	2,768.5
Operating Income	156.7	147.1	900.3	722.5
Other Income (Deductions)				
Interest expense, net	(91.6)	(84.4)	(259.8)	(253.5)
Other, net	10.1	14.3	30.0	37.2
Total Other Deductions, Net	(81.5)	(70.1)	(229.8)	(216.3)
Income before Income Taxes	75.2	77.0	670.5	506.2
Income Taxes	11.7	14.8	119.9	90.6
Net Income	63.5	62.2	550.6	415.6
Net loss attributable to noncontrolling interest	(2.3)	(1.0)	(9.0)	(3.4)
Net Income Attributable to NiSource	65.8	63.2	559.6	419.0
Preferred dividends	(13.8)	(13.8)	(41.4)	(41.4)
Net Income Available to Common Shareholders	52.0	49.4	518.2	377.6
Earnings Per Share				
Basic Earnings Per Share	\$ 0.13	\$ 0.13	\$ 1.28	\$ 0.96
Diluted Earnings Per Share	\$ 0.12	\$ 0.12	\$ 1.18	\$ 0.91
Basic Average Common Shares Outstanding	406.5	393.2	406.3	392.9
Diluted Average Common Shares	443.4	430.3	441.7	415.8

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

<i>(in millions, net of taxes)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net Income	\$ 63.5	\$ 62.2	\$ 550.6	\$ 415.6
Other comprehensive income:				
Net unrealized loss on available-for-sale debt securities ⁽¹⁾	(4.5)	(0.8)	(14.1)	(2.4)
Net unrealized gain on cash flow hedges ⁽²⁾	16.2	6.6	119.2	41.4
Unrecognized pension and OPEB benefit (costs) ⁽³⁾	0.6	0.4	(1.8)	0.3
Total other comprehensive income	12.3	6.2	103.3	39.3
Comprehensive Income	\$ 75.8	\$ 68.4	\$ 653.9	\$ 454.9

⁽¹⁾Net unrealized loss on available-for-sale debt securities, net of \$1.1 million and \$0.2 million tax benefit in the third quarter of 2022 and 2021, respectively, and \$3.7 million and \$0.6 million tax benefit for the nine months ended 2022 and 2021, respectively.

⁽²⁾Net unrealized gain on cash flow hedges, net of \$5.3 million and \$2.2 million tax expense in the third quarter of 2022 and 2021, respectively, and \$39.4 million and \$13.7 million tax expense for the nine months ended 2022 and 2021, respectively.

⁽³⁾Unrecognized pension and OPEB benefit (costs), net of \$0.2 million and \$0.2 million tax expense in the third quarter of 2022 and 2021, respectively, and \$0.6 million tax benefit and \$1.3 million tax expense for the nine months ended 2022 and 2021, respectively.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

<i>(in millions)</i>	September 30, 2022	December 31, 2021
ASSETS		
Property, Plant and Equipment		
Plant	\$ 26,641.1	\$ 25,171.3
Accumulated depreciation and amortization	(7,650.1)	(7,289.5)
Net Property, Plant and Equipment ⁽¹⁾	18,991.0	17,881.8
Investments and Other Assets		
Unconsolidated affiliates	1.6	0.8
Available-for-sale debt securities (amortized cost of \$174.6 and \$169.3, allowance for credit losses of \$1.7 and \$0.2, respectively)	157.8	171.8
Other investments	68.8	87.1
Total Investments and Other Assets	228.2	259.7
Current Assets		
Cash and cash equivalents	35.8	84.2
Restricted cash	42.8	10.7
Accounts receivable	605.9	849.1
Allowance for credit losses	(19.2)	(23.5)
Accounts receivable, net	586.7	825.6
Gas inventory	606.3	327.4
Materials and supplies, at average cost	141.4	139.1
Electric production fuel, at average cost	52.4	32.2
Exchange gas receivable	184.7	99.6
Regulatory assets	245.7	206.2
Prepayments and other	332.8	195.8
Total Current Assets ⁽¹⁾	2,228.6	1,920.8
Other Assets		
Regulatory assets	2,240.3	2,286.0
Goodwill	1,485.9	1,485.9
Deferred charges and other	402.4	322.7
Total Other Assets	4,128.6	4,094.6
Total Assets	\$ 25,576.4	\$ 24,156.9

⁽¹⁾Includes \$678.8 million and \$695.9 million at September 30, 2022 and December 31, 2021, respectively, of net property, plant and equipment assets and \$20.4 million and \$14.3 million at September 30, 2022 and December 31, 2021, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 11, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

<i>(in millions, except share amounts)</i>	September 30, 2022	December 31, 2021
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - \$0.01 par value, 600,000,000 shares authorized; 406,049,747 and 405,303,023 shares outstanding, respectively	\$ 4.1	\$ 4.1
Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 1,302,500 shares outstanding	1,546.5	1,546.5
Treasury stock	(99.9)	(99.9)
Additional paid-in capital	7,224.8	7,204.3
Retained deficit	(1,458.1)	(1,580.9)
Accumulated other comprehensive loss	(23.5)	(126.8)
Total NiSource Stockholders' Equity	7,193.9	6,947.3
Noncontrolling interest in consolidated subsidiaries	311.8	325.6
Total Equity	7,505.7	7,272.9
Long-term debt, excluding amounts due within one year	9,521.2	9,183.4
Total Capitalization	17,026.9	16,456.3
Current Liabilities		
Current portion of long-term debt	28.6	58.1
Short-term borrowings	1,274.2	560.0
Accounts payable	666.5	697.8
Dividends payable - common stock	95.6	—
Dividends payable - preferred stock	19.4	—
Customer deposits and credits	314.5	237.9
Taxes accrued	189.7	277.1
Interest accrued	124.1	105.5
Exchange gas payable	170.9	107.7
Regulatory liabilities	288.9	137.4
Accrued compensation and employee benefits	150.5	182.7
Other accruals	588.2	382.0
Total Current Liabilities⁽¹⁾	3,911.1	2,746.2
Other Liabilities		
Deferred income taxes	1,803.7	1,659.4
Accrued liability for postretirement and postemployment benefits	277.2	292.5
Regulatory liabilities	1,810.3	1,842.6
Asset retirement obligations	458.7	469.7
Other noncurrent liabilities	288.5	690.2
Total Other Liabilities⁽¹⁾	4,638.4	4,954.4
Commitments and Contingencies (Refer to Note 14, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 25,576.4	\$ 24,156.9

⁽¹⁾Includes \$7.8 million and \$10.0 million at September 30, 2022 and December 31, 2021, respectively, of current liabilities and \$20.9 million and \$20.5 million at September 30, 2022 and December 31, 2021, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 11, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Nine Months Ended September 30, (in millions)	2022	2021
Operating Activities		
Net Income	\$ 550.6	\$ 415.6
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	604.6	560.2
Deferred income taxes and investment tax credits	118.3	89.0
Loss (gain) on sale of assets	(105.3)	6.4
Other adjustments	27.7	17.3
Changes in Assets and Liabilities:		
Components of working capital	(115.2)	(154.4)
Regulatory assets/liabilities	(17.4)	54.8
Deferred charges and other noncurrent assets	(16.8)	1.4
Other noncurrent liabilities	(10.3)	(51.0)
Net Cash Flows from Operating Activities	1,036.2	939.3
Investing Activities		
Capital expenditures	(1,523.0)	(1,292.8)
Insurance recoveries	105.0	—
Cost of removal	(108.6)	(94.0)
Payment to renewable generation asset developer	(150.9)	(7.4)
Other investing activities	(5.2)	—
Net Cash Flows used for Investing Activities	(1,682.7)	(1,394.2)
Financing Activities		
Issuance of long-term debt, net of discount and underwriting costs	345.6	—
Repayments of long-term debt and finance lease obligations	(52.5)	(18.7)
Change in short-term borrowings, net (maturity ≤ 90 days)	714.2	(123.0)
Issuance of common stock, net of issuance costs	9.1	8.8
Equity costs, premiums and other debt related costs	(10.1)	(9.7)
Contributions from noncontrolling interest	—	7.0
Distributions to noncontrolling interest	(4.8)	—
Issuance of equity units, net of underwriting costs	—	839.9
Dividends paid - common stock	(286.0)	(258.8)
Dividends paid - preferred stock	(35.7)	(35.7)
Contract liability payment	(49.6)	(24.2)
Net Cash Flows from Financing Activities	630.2	385.6
Change in cash, cash equivalents and restricted cash	(16.3)	(69.3)
Cash, cash equivalents and restricted cash at beginning of period	94.9	125.6
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 78.6	\$ 56.3

Reconciliation to Balance Sheet

Nine Months Ended September 30, (in millions)	2022
Cash and cash equivalents	35.8
Restricted Cash	42.8
Total Cash, Cash Equivalents and Restricted Cash	78.6

Supplemental Disclosures of Cash Flow Information

Nine Months Ended September 30, (in millions)	2022	2021
Non-cash transactions:		
Capital expenditures included in current liabilities	\$ 280.4	\$ 217.0
Dividends declared but not paid	115.0	105.8
Purchase contract liability ⁽¹⁾	81.1	145.4
Obligation to developer at formation of joint venture	\$ —	\$ 6.0

⁽¹⁾Refer to Note 5, "Equity," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of July 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,218.6	\$ (1,408.9)	\$ (35.8)	\$ 315.8	\$ 7,540.4
Comprehensive Income:								
Net income (loss)	—	—	—	—	65.8	—	(2.3)	63.5
Other comprehensive income, net of tax	—	—	—	—	—	12.3	—	12.3
Dividends:								
Common stock (\$0.24 per share)	—	—	—	—	(95.6)	—	—	(95.6)
Preferred stock (See Note 5)	—	—	—	—	(19.4)	—	—	(19.4)
Distributions to noncontrolling interests	—	—	—	—	—	—	(1.7)	(1.7)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	2.6	—	—	—	2.6
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
ATM program	—	—	—	(0.1)	—	—	—	(0.1)
Balance as of September 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,224.8	\$ (1,458.1)	\$ (23.5)	\$ 311.8	\$ 7,505.7

⁽¹⁾Series A, Series B, and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity," for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,204.3	\$ (1,580.9)	\$ (126.8)	\$ 325.6	\$ 7,272.9
Comprehensive Income:								
Net income (loss)	—	—	—	—	559.6	—	(9.0)	550.6
Other comprehensive income, net of tax	—	—	—	—	—	103.3	—	103.3
Dividends:								
Common stock (\$0.94 per share)	—	—	—	—	(381.7)	—	—	(381.7)
Preferred stock (See Note 5)	—	—	—	—	(55.1)	—	—	(55.1)
Distributions to noncontrolling interests	—	—	—	—	—	—	(4.8)	(4.8)
Stock issuances:								
Employee stock purchase plan	—	—	—	3.8	—	—	—	3.8
Long-term incentive plan	—	—	—	9.5	—	—	—	9.5
401(k) and profit sharing	—	—	—	7.3	—	—	—	7.3
ATM program	—	—	—	(0.1)	—	—	—	(0.1)
Balance as of September 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,224.8	\$ (1,458.1)	\$ (23.5)	\$ 311.8	\$ 7,505.7

⁽¹⁾Series A, Series B, and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity," for additional information.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of July 1, 2021	\$ 3.9	\$ 1,718.8	\$ (99.9)	\$ 6,728.0	\$ (1,704.1)	\$ (123.6)	\$ 90.4	\$ 6,613.5
Comprehensive Income:								
Net income (loss)	—	—	—	—	63.2	—	(1.0)	62.2
Other comprehensive income, net of tax	—	—	—	—	—	6.2	—	6.2
Dividends:								
Common stock (\$0.22 per share)	—	—	—	—	(86.5)	—	—	(86.5)
Preferred stock (See Note 5)	—	—	—	—	(19.4)	—	—	(19.4)
Distribution to noncontrolling interest	—	—	—	—	—	—	(0.2)	(0.2)
Stock issuances:								
Equity Units	—	1.0	—	—	—	—	—	1.0
Employee stock purchase plan	—	—	—	1.2	—	—	—	1.2
Long-term incentive plan	—	—	—	4.0	—	—	—	4.0
401(k) and profit sharing	—	—	—	2.5	—	—	—	2.5
ATM program	—	—	—	(0.4)	—	—	—	(0.4)
Balance as of September 30, 2021	\$ 3.9	\$ 1,719.8	\$ (99.9)	\$ 6,735.3	\$ (1,746.8)	\$ (117.4)	\$ 89.2	\$ 6,584.1

⁽¹⁾Series A, Series B and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity," for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2021	\$ 3.9	\$ 880.0	\$ (99.9)	\$ 6,890.1	\$ (1,765.2)	\$ (156.7)	\$ 85.6	\$ 5,837.8
Comprehensive Income:								
Net income (loss)	—	—	—	—	419.0	—	(3.4)	415.6
Other comprehensive income, net of tax	—	—	—	—	—	39.3	—	39.3
Dividends:								
Common stock (\$0.88 per share)	—	—	—	—	(345.5)	—	—	(345.5)
Preferred stock (See Note 5)	—	—	—	—	(55.1)	—	—	(55.1)
Contribution from noncontrolling interest, net of distributions	—	—	—	—	—	—	7.0	7.0
Stock issuances:								
Equity Units	—	839.8	—	(173.3)	—	—	—	666.5
Employee stock purchase plan	—	—	—	3.7	—	—	—	3.7
Long-term incentive plan	—	—	—	8.3	—	—	—	8.3
401(k) and profit sharing	—	—	—	7.2	—	—	—	7.2
ATM program	—	—	—	(0.7)	—	—	—	(0.7)
Balance as of September 30, 2021	\$ 3.9	\$ 1,719.8	\$ (99.9)	\$ 6,735.3	\$ (1,746.8)	\$ (117.4)	\$ 89.2	\$ 6,584.1

⁽¹⁾Series A, Series B and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M respectively. See Note 5, "Equity," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of July 1, 2022	1,303	409,841	(3,963)	405,878
Issued:				
Employee stock purchase plan	—	46	—	46
Long-term incentive plan	—	45	—	45
401(k) and profit sharing	—	81	—	81
Balance as of September 30, 2022	1,303	410,013	(3,963)	406,050

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2022	1,303	409,266	(3,963)	405,303
Issued:				
Employee stock purchase plan	—	129	—	129
Long-term incentive plan	—	373	—	373
401(k) and profit sharing	—	245	—	245
Balance as of September 30, 2022	1,303	410,013	(3,963)	406,050

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of July 1, 2021	1,303	396,292	(3,963)	392,329
Issued:				
Employee stock purchase plan	—	52	—	52
Long-term incentive plan	—	151	—	151
401(k) and profit sharing	—	97	—	97
Balance as of September 30, 2021	1,303	396,592	(3,963)	392,629

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2021	440	395,723	(3,963)	391,760
Issued:				
Equity Units	863	—	—	—
Employee stock purchase plan	—	158	—	158
Long-term incentive plan	—	414	—	414
401(k) and profit sharing	—	297	—	297
Balance as of September 30, 2021	1,303	396,592	(3,963)	392,629

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

[Table of Contents](#)

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, 2021. 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

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited), which are described below:

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. This pronouncement requires certain annual disclosures for transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance. This pronouncement is applicable for financial statements issued for annual periods beginning after December 15, 2021. We do not expect the adoption of this pronouncement to have a material impact on the Notes to the Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This pronouncement amends the guidance for entities that issue convertible instruments and/or contracts indexed to and potentially settled in an entity's own equity. The pronouncement eliminates the beneficial conversion and cash conversion accounting models for convertible instruments. Additionally, the pronouncement amends the guidance for the derivatives scope exception for contracts in an entity's own equity. This pronouncement impacts the denominator in the calculation of diluted EPS for our Equity Units as we are required to assume share settlement of the remaining purchase contract payment balance when applying the if-converted method. Moreover, we are required to utilize the average share price for the period instead of the end of period price. We adopted this pronouncement using the modified retrospective method as of January 1, 2022.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. These pronouncements provide temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. These pronouncements are effective upon issuance on March 12, 2020, and will apply through December 31, 2022. The company has elected to apply the practical expedient which allows for the continuation of cash flow hedge accounting for interest rate derivative contracts upon the transition from LIBOR to alternative reference rates. The application of this expedient had no material impact on the Condensed Consolidated Financial Statements (unaudited).

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

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):

Three Months Ended September 30, 2022 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues⁽¹⁾				
Residential	\$ 330.1	\$ 178.8	\$ —	\$ 508.9
Commercial	114.6	158.9	—	273.5
Industrial	42.6	151.9	—	194.5
Off-system	72.7	—	—	72.7
Miscellaneous	7.3	1.3	—	8.6
Total Customer Revenues	\$ 567.3	\$ 490.9	\$ —	\$ 1,058.2
Other Revenues	5.1	25.4	0.8	31.3
Total Operating Revenues	\$ 572.4	\$ 516.3	\$ 0.8	\$ 1,089.5

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

Three Months Ended September 30, 2021 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 304.3	\$ 178.7	\$ —	\$ 483.0
Commercial	99.2	151.6	—	250.8
Industrial	41.0	125.7	—	166.7
Off-system	14.5	—	—	14.5
Miscellaneous	4.6	(1.0)	0.2	3.8
Total Customer Revenues	\$ 463.6	\$ 455.0	\$ 0.2	\$ 918.8
Other Revenues	8.7	23.9	8.0	40.6
Total Operating Revenues	\$ 472.3	\$ 478.9	\$ 8.2	\$ 959.4

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues primarily related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

Nine months ended September 30, 2022 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,772.0	\$ 454.3	\$ —	\$ 2,226.3
Commercial	631.7	428.1	—	1,059.8
Industrial	158.5	420.4	—	578.9
Off-system	150.5	—	—	150.5
Miscellaneous	29.9	9.6	—	39.5
Total Customer Revenues	\$ 2,742.6	\$ 1,312.4	\$ —	\$ 4,055.0
Other Revenues	7.6	71.1	12.3	91.0
Total Operating Revenues	\$ 2,750.2	\$ 1,383.5	\$ 12.3	\$ 4,146.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business, which was substantially completed as of June 30, 2022.

Nine months ended September 30, 2021 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,456.5	\$ 439.8	\$ —	\$ 1,896.3
Commercial	496.0	404.4	—	900.4
Industrial	142.9	367.7	—	510.6
Off-system	46.0	—	—	46.0
Miscellaneous	19.2	4.6	0.6	24.4
Total Customer Revenues	\$ 2,160.6	\$ 1,216.5	\$ 0.6	\$ 3,377.7
Other Revenues	21.8	68.4	23.1	113.3
Total Operating Revenues	\$ 2,182.4	\$ 1,284.9	\$ 23.7	\$ 3,491.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

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 nine months ended September 30, 2022 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.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2021	\$ 459.6	\$ 337.0
Balance as of September 30, 2022	336.5	231.5

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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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.

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 September 30, 2022 and December 31, 2021 are presented in the table below:

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2022	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5
Current period provisions	24.1	5.5	—	29.6
Write-offs charged against allowance	(40.9)	(3.8)	—	(44.7)
Recoveries of amounts previously written off	10.5	0.3	—	10.8
Balance as of September 30, 2022	\$ 12.6	\$ 5.8	\$ 0.8	\$ 19.2

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2021	\$ 41.8	\$ 9.7	\$ 0.8	\$ 52.3
Current period provisions	5.8	1.4	—	7.2
Write-offs charged against allowance	(46.7)	(7.7)	—	(54.4)
Recoveries of amounts previously written off	18.0	0.4	—	18.4
Balance as of December 31, 2021	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5

In connection with the COVID-19 pandemic, certain state regulatory commissions instituted regulatory moratoriums that impacted our ability to pursue our standard credit risk mitigation practices during 2021. Following the issuance of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently recovered in rates. At December 31, 2021, in addition to our evaluation of the allowance for credit losses discussed above, we considered benefits available under governmental COVID-19 relief programs, the impact of unemployment benefits initiatives, and flexible payment plans being offered to customers affected by or experiencing hardship as a result of the pandemic, which could help to mitigate the potential for increasing customer account delinquencies. We also considered the on-time bill payment promotion and robust customer marketing strategy for energy assistance programs that we have implemented. Based upon our overall evaluation, we have concluded that the allowance for credit losses as of December 31, 2021 and September 30, 2022 adequately reflected the collection risk and net realizable value for our receivables. As of December 31, 2021, we resumed our common credit mitigation practices in all jurisdictions as all moratoriums had expired.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

4. 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 purposes of determining diluted EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three and nine months ended September 30, 2022 and 2021 using the if-converted method under US GAAP. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the average stock price during the period falls below the initial reference price of \$24.51, subject to anti-dilution adjustments, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the average stock price during the period is above the initial reference price of \$24.51, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment is reflected in the calculation of diluted EPS for interest expense incurred for the three and nine months ended September 30, 2022 and 2021 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which resulted in additional dilution from our Equity Units by requiring us to assume share settlement of the remaining purchase contract payment balance based on the average share price during the period. Refer to Note 2, "Recent Accounting Pronouncements," for more information on ASU 2020-06.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible securities as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of September 30, 2022 and 2021, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three and nine months ended September 30, 2022 and 2021.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive. Refer to Note 5, "Equity," for more information on our ATM forward agreements.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Numerator:				
Net Income Available to Common Shareholders - Basic	\$ 52.0	\$ 49.4	\$ 518.2	\$ 377.6
Dilutive effect of Equity Units	0.5	0.6	1.5	1.0
Net Income Available to Common Shareholders - Diluted	\$ 52.5	\$ 50.0	\$ 519.7	\$ 378.6
Denominator:				
Average common shares outstanding - Basic	406.5	393.2	406.3	392.9
Dilutive potential common shares:				
Equity Units purchase contracts	31.3	35.2	29.4	21.3
Equity Units purchase contract payment balance	3.0	—	3.4	—
Shares contingently issuable under employee stock plans	0.9	0.9	1.0	0.7
Shares restricted under employee stock plans	0.6	0.3	0.5	0.3
ATM forward agreements	1.1	0.7	1.1	0.6
Average Common Shares - Diluted	443.4	430.3	441.7	415.8
Earnings per common share:				
Basic	\$ 0.13	\$ 0.13	\$ 1.28	\$ 0.96
Diluted	\$ 0.12	\$ 0.12	\$ 1.18	\$ 0.91

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

5. Equity

ATM Program and Forward Sale Agreement. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$750.0 million of our common stock.

On August 9, 2021, 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. From August 9, 2021 to September 1, 2021, the forward purchaser under our forward sale agreement borrowed 5,941,598 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of \$25.25 per share. The forward sale agreement must be settled by December 15, 2022 in shares, cash, or net shares. Had we settled all the shares under the forward sale agreement at September 30, 2022, we would have received approximately \$143.0 million, based on a net price of \$24.06 per share.

As of September 30, 2022, the ATM program (including the impacts of the forward sale agreement discussed above) had approximately \$300.0 million of equity available for issuance. The program expires on December 31, 2023.

Preferred Stock. As of September 30, 2022, we had 20,000,000 shares of preferred stock authorized for issuance, of which 1,302,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

	Liquidation Preference Per Share	Shares	Three Months Ended September 30,		Nine Months Ended September 30,		September 30,	December 31,
			2022	2021	2022	2021	2022	2021
<i>(in millions except shares and per share amounts)</i>			Dividends Declared Per Share				Outstanding	
5.650% Series A	\$ 1,000.00	400,000	28.25	28.25	56.50	56.50	\$ 393.9	\$ 393.9
6.500% Series B	\$ 25,000.00	20,000	406.25	406.25	1,625.00	1,625.00	\$ 486.1	\$ 486.1
Series C ⁽¹⁾	\$ 1,000.00	862,500	—	—	—	—	\$ 666.5	\$ 666.5

⁽¹⁾The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock.

In addition, 20,000 shares of Series B-1 Preferred Stock, par value \$0.01 per share, were outstanding as of September 30, 2022. Holders of Series B-1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B-1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption, or repurchase of the underlying Series B Preferred Stock.

As of September 30, 2022 and 2021, Series A Preferred Stock had \$6.7 million of cumulative preferred dividends in arrears, or \$16.63 per share, and Series B Preferred Stock had \$1.4 million of cumulative preferred dividends in arrears, or \$72.23 per share.

Equity Units. On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of Corporate Units, each with a stated amount of \$100. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share. We are accounting for the Corporate Units as a single unit of account.

Selected information about the Equity Units at the issuance date is presented below:

<i>(in millions except contract rate)</i>	Issuance Date	Units Issued	Total Net Proceeds ⁽¹⁾	Purchase Contract Annual Rate	Purchase Contract Liability
Equity Units	April 19, 2021	8.625	\$ 835.5	7.75 %	\$ 168.8

⁽¹⁾Issuance costs of \$27.0 million were recorded on a relative fair value basis as a reduction to preferred stock of \$22.5 million and a reduction to the purchase contract liability of \$4.5 million.

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is \$100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Stock will initially be pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

The Series C Mandatory Convertible Preferred Stock is expected to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We will pay quarterly contract adjustment payments to holders of the Equity Units at the rate of 7.75% per year on the stated amount of \$100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. As of September 30, 2022, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of September 30, 2022 and December 31, 2021 the purchase contract liability was \$81.1 million and \$129.4 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of \$50.1 million and \$24.5 million were made during the nine months ended September 30, 2022 and 2021, respectively.

Refer to Note 4, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million. Had we settled the remaining purchase contract payment balance in shares at September 30, 2022, we would have issued approximately 3.0 million shares.

6. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas agreed to change the depreciation methodology for its calculation of depreciation rates, which reduces depreciation expense and subsequent revenues and cash flows. An order was received on July 27, 2022 approving the rate case and rates were effective as of September 1, 2022.

Columbia of Ohio regulatory filing update

On Wednesday, April 6, 2022, the PUCO Staff issued its Staff Report in Columbia of Ohio's base rate case, filed on June 21, 2021, which was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. Columbia of Ohio's application requested a net rate increase approximating a 21.3% or \$221.4 million increase in revenue per year. The Staff Report recommended a rate increase of 4.0% - 6.3% or \$35.2 million to \$57.6 million increase in revenue per year. The Staff recommended adjustments include, but are not limited to, plant assets, labor adjustments, COVID-19 deferrals and environmental remediation costs, rider caps, and rate of return. On May 6, 2022 and May 13, 2022, respectively, Columbia of Ohio and the other parties filed written objections to the Staff report as well as written testimony. On October 31, 2022, Columbia of Ohio filed a joint stipulation and recommendation with certain parties to settle the base rate case. The joint stipulation and recommendation includes a rate increase of 7.97%, or \$68.2 million and includes adjustments to, plant assets, pension expenses, environmental remediation costs and other operations and maintenance expenses. The joint stipulation and recommendation also proposes to extend both of Columbia of Ohio's capital investment riders, the IRP and CEP, for capital invested through the 2026 calendar year. The joint stipulation and recommendation is subject to final PUCO approval.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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 joint ventures and the amount included in regulated rates to recover our approved investments in consolidated joint ventures. 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 expense" on the Condensed Statements of Consolidated Income (unaudited). We recorded a decrease to depreciation expense of \$2.2 million and an increase to depreciation expense of \$4.5 million for the three and nine months ended September 30, 2022, and zero for the three and nine months ended September 30, 2021, respectively, related to the regulatory deferral of income (loss) associated with our joint ventures, which is not included in current rates. Refer to Note 11, "Variable Interest Entities," for additional information.

FAC Adjustment

As ordered by the IURC on June 15, 2022, NIPSCO is required to refund to customers \$8.0 million of over-collected fuel costs. The refund is recorded as a regulatory liability on the Condensed Consolidated Balance Sheets (unaudited).

7. 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:

<i>(in millions)</i>	September 30, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current ⁽¹⁾				
Derivatives designated as hedging instruments	\$ —	\$ —	\$ —	\$ 136.4
Derivatives not designated as hedging instruments	41.8	1.9	10.6	0.4
Total	\$ 41.8	\$ 1.9	\$ 10.6	\$ 136.8
Noncurrent ⁽²⁾				
Derivatives designated as hedging instruments	\$ 12.1	\$ —	\$ —	\$ —
Derivatives not designated as hedging instruments	82.3	1.7	13.8	7.4
Total	\$ 94.4	\$ 1.7	\$ 13.8	\$ 7.4

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

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

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, for us or 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 September 30, 2022 and December 31, 2021, we had 108.0 MMDth and 124.5 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 September 30, 2022, the remaining terms of these instruments range from one to five years.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

All gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's quarterly GCA mechanism. These instruments are not designated as accounting hedges.

The following table summarizes the gains and losses associated with the commodity price risk programs:

<i>(in millions)</i>	September 30, 2022	December 31, 2021
Regulatory Assets		
Losses on commodity price risk programs	\$ 6.0	\$ 9.6
Regulatory Liabilities		
Gains on commodity price risk programs	150.7	34.2

Derivatives Designated as Hedging Instruments

Interest rate risk management. As of September 30, 2022, we have one forward-starting interest rate swap with a notional value of \$250.0 million to hedge the variability in cash flows attributable to changes in the benchmark interest rate associated with a forecasted debt issuance. This interest rate swap is designated as a cash flow hedge.

On June 7, 2022, we settled a \$250.0 million forward-starting interest rate swap agreement contemporaneously with the issuance of \$350.0 million of 5.00% senior unsecured notes maturing in 2052. The derivative contract was accounted for as a cash flow hedge. As part of the transaction, the associated net unrealized gain position of \$10.2 million is being amortized from AOCI loss into interest expense over the life of the associated debt. Refer to Note 12, "Long-Term Debt," for additional information.

Cash flow hedges included in "Accumulated other comprehensive loss" on the Condensed Consolidated Balance Sheets (unaudited) were:

<i>(in millions)</i>	AOCI ⁽¹⁾	Amounts Expected to be Reclassified to Earnings During the Next 12 Months ⁽¹⁾	Maximum Term
Interest Rate	\$ (3.3)	(0.2)	380 months

⁽¹⁾ All amounts are net of tax.

The actual amounts reclassified from AOCI to Net Income can differ from the estimate above due to market rate changes.

The gains and losses related to these swaps are recorded to AOCI. Upon issuance, we amortize the gains and losses over the life of the debt associated with these swaps as we recognize interest expense. These amounts are immaterial for the three and nine months ended September 30, 2022 and 2021 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited).

If it becomes probable that a hedged forecasted transaction will no longer occur, the accumulated gains or losses on the derivative will be recognized currently in "Other, net" in the Condensed Statements of Consolidated Income (unaudited).

There were no amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships at September 30, 2022 and December 31, 2021.

Our derivative instruments measured at fair value as of September 30, 2022 and December 31, 2021 do not contain any credit-risk-related contingent features. Cash flows for derivative financial instruments are generally classified as operating activities.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

8. 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 September 30, 2022 and December 31, 2021:

Recurring Fair Value Measurements September 30, 2022 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of September 30, 2022
Assets				
Risk management assets	\$ —	\$ 136.2	\$ —	\$ 136.2
Available-for-sale debt securities	—	157.8	—	157.8
Total	\$ —	\$ 294.0	\$ —	\$ 294.0
Liabilities				
Risk management liabilities	\$ —	\$ 3.6	\$ —	\$ 3.6
Total	\$ —	\$ 3.6	\$ —	\$ 3.6

Recurring Fair Value Measurements December 31, 2021 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2021
Assets				
Risk management assets	\$ —	\$ 24.4	\$ —	\$ 24.4
Available-for-sale debt securities	—	171.8	—	171.8
Total	\$ —	\$ 196.2	\$ —	\$ 196.2
Liabilities				
Risk management liabilities	\$ —	\$ 144.2	\$ —	\$ 144.2
Total	\$ —	\$ 144.2	\$ —	\$ 144.2

Risk Management Assets and Liabilities. Risk management assets and liabilities include interest rate swaps, 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.

[Table of Contents](#)

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 September 30, 2022 and December 31, 2021, 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.

Credit risk is considered in the fair value calculation of each of our forward-starting interest rate swaps, as described in Note 7, "Risk Management Activities." As they are based on observable data and valuations of similar instruments, the hedges are categorized within Level 2 of the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and we can settle the contracts at any time.

NIPSCO has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its 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 7, "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 September 30, 2022 and December 31, 2021, we recorded \$1.7 million and \$0.2 million, respectively, 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at September 30, 2022 and December 31, 2021 were:

September 30, 2022 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 69.7	\$ —	\$ (4.8)	\$ —	\$ 64.9
Corporate/Other debt securities	104.9	—	(10.3)	(1.7)	92.9
Total	\$ 174.6	\$ —	\$ (15.1)	\$ (1.7)	\$ 157.8

December 31, 2021 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 52.8	\$ 0.1	\$ (0.4)	\$ —	\$ 52.5
Corporate/Other debt securities	116.5	3.7	(0.7)	(0.2)	119.3
Total	\$ 169.3	\$ 3.8	\$ (1.1)	\$ (0.2)	\$ 171.8

⁽¹⁾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 \$62.3 million and \$85.1 million, respectively, at September 30, 2022.

⁽²⁾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 \$36.2 million and \$35.4 million, respectively, at December 31, 2021.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were immaterial for the three and nine months ended September 30, 2022 and 2021.

At September 30, 2022, approximately \$7.0 million of U.S. Treasury debt securities and approximately \$9.1 million of Corporate/Other debt securities have maturities of less than a year.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including 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.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity," for additional information.

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 September 30, 2022, 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:

(in millions)	Carrying Amount as of September 30, 2022	Estimated Fair Value as of September 30, 2022	Carrying Amount as of Dec. 31, 2021	Estimated Fair Value as of Dec. 31, 2021
Long-term debt (including current portion)	\$ 9,549.8	\$ 8,154.6	\$ 9,241.5	\$ 10,415.7

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

9. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2022 and 2021, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended September 30, 2022 and 2021 were 15.6% and 19.2%, respectively. The effective tax rate for both the nine months ended September 30, 2022 and 2021 was 17.9%. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state income taxes, and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The decrease in the three month effective tax rate of 3.6% in 2022 compared to 2021 is primarily attributed to the Pennsylvania tax rate change and rate differential, and increased amortization of excess deferred federal income tax liabilities.

There were no material changes recorded in 2022 to our uncertain tax positions recorded as of December 31, 2021.

10. 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 nine months ended September 30, 2022, we contributed \$2.1 million to our pension plans and \$15.9 million to our OPEB plans.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and nine months ended September 30, 2022 and 2021:

Three Months Ended September 30, (in millions)	Pension Benefits		OPEB	
	2022	2021	2022	2021
Components of Net Periodic Benefit (Income) Cost⁽¹⁾				
Service cost	\$ 6.8	\$ 7.5	\$ 1.6	\$ 1.5
Interest cost	10.7	7.9	3.0	2.5
Expected return on assets	(22.6)	(25.2)	(4.0)	(3.8)
Amortization of prior service credit	—	—	(0.6)	(0.6)
Recognized actuarial loss	5.6	5.5	0.7	1.2
Settlement loss	3.0	2.9	—	—
Total Net Periodic Benefit (Income) Cost	\$ 3.5	\$ (1.4)	\$ 0.7	\$ 0.8

⁽¹⁾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).

Nine Months Ended September 30, (in millions)	Pension Benefits		OPEB	
	2022	2021	2022	2021
Components of Net Periodic Benefit (Income) Cost⁽¹⁾				
Service cost	\$ 20.9	\$ 22.6	\$ 4.8	\$ 4.5
Interest cost	29.9	23.5	9.0	7.5
Expected return on assets	(68.3)	(76.3)	(12.0)	(11.4)
Amortization of prior service credit	—	—	(1.8)	(1.8)
Recognized actuarial loss	14.9	16.3	2.1	3.6
Settlement loss	9.3	9.5	—	—
Total Net Periodic Benefit (Income) Cost	\$ 6.7	\$ (4.4)	\$ 2.1	\$ 2.4

⁽¹⁾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).

As of May 31, 2022, one of our qualified pension plans met the requirement for settlement accounting. A settlement charge of \$6.3 million was recorded during the second quarter of 2022. As a result of the settlement, the pension plan was remeasured, resulting in a decrease to the net pension asset of \$39.8 million, a net increase to regulatory assets of \$30.0 million, and a net debit to accumulated other comprehensive loss of \$3.5 million. Net periodic pension benefit cost for 2022 increased by \$5.7 million as a result of the interim remeasurement.

For the interim remeasurement, the discount rate used to calculate the remeasured plan's pension benefit obligation was updated to 4.13% from 2.60% at December 31, 2021. At the time of the interim remeasurement, we also updated the discount rates and expected return on assets used to calculate net periodic pension benefit costs in 2022. Our discount rates for service and interest costs, respectively, were updated to 4.30% and 3.64% from 2.85% and 1.90% at January 1, 2022. The expected return on assets assumption was updated to 5.70% from 4.80% at January 1, 2022.

During the third quarter of 2022, the requirements for settlement accounting were also met, resulting in a settlement charge of \$3.0 million for the three months ended September 30, 2022.

11. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. We control decisions that are significant to Rosewater and Indiana Crossroads Wind's ongoing operations and economic results. Therefore, we have concluded that we are the primary beneficiary and have consolidated both.

Members of the respective joint ventures are NIPSCO (who is the managing member) and tax equity partners. Earnings, tax attributes, and cash flows are allocated to both NIPSCO and the tax equity partners in varying percentages over the life of the partnerships. Once the tax equity partners have earned their negotiated rate of return and we have reached the agreed upon

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partners the remaining interest in the respective joint venture. NIPSCO has an obligation to purchase, through a PPA at established market rates, 100% of the electricity generated by the joint ventures.

Rosewater

Rosewater owns and operates 102 MW of nameplate capacity wind generation assets. NIPSCO and the tax equity partner have made total contributions of \$170.1 million. NIPSCO and the tax equity partner contributed cash, and NIPSCO also assumed an obligation to the developer of the wind generation assets representing the remaining economic interest, which comes due in 2023. The obligation to developer is included within "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited). The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Rosewater.

Indiana Crossroads Wind

Indiana Crossroads Wind owns and operates 302 MW of nameplate capacity wind generation assets. NIPSCO and the tax equity partner have made total contributions of \$511.8 million. NIPSCO and the tax equity partner contributed cash, and NIPSCO also assumed an obligation to the developer of the wind generation assets representing the remaining economic interest, which comes due in 2023. The obligation to developer is included within "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited). The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Indiana Crossroads Wind.

The following table displays the noncontrolling interest in consolidated subsidiaries included in the Condensed Consolidated Balance Sheets (unaudited):

<i>(in millions)</i>	September 30, 2022		December 31, 2021	
Rosewater	\$	82.4	\$	88.2
Indiana Crossroads Wind		229.4		237.4
Total	\$	311.8	\$	325.6

The following table displays the Net income (loss) attributable to noncontrolling interest included in the Condensed Statements of Consolidated Income (unaudited):

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Rosewater	\$ (1.1)	\$ (1.0)	\$ (4.0)	\$ (3.4)
Indiana Crossroads Wind	(1.2)	—	(5.0)	—
Total	\$ (2.3)	\$ (1.0)	\$ (9.0)	\$ (3.4)

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.

[Table of Contents](#)

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>	September 30, 2022		December 31, 2021	
	Rosewater	Indiana Crossroads Wind	Rosewater	Indiana Crossroads Wind
Net Property, Plant and Equipment	\$ 165.9	\$ 512.9	\$ 170.1	\$ 525.8
Current assets	7.7	12.7	6.2	8.1
Total assets ⁽¹⁾	173.6	525.6	176.3	533.9
Current liabilities	4.4	3.4	2.5	7.5
Asset retirement obligations	5.8	15.1	5.7	14.8
Total liabilities	\$ 10.2	\$ 18.5	\$ 8.2	\$ 22.3

⁽¹⁾The assets of Rosewater and Indiana Crossroads 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 Rosewater and Indiana Crossroads do not have recourse, to the general credit of the primary beneficiary.

12. Long-Term Debt

On April 1, 2022, we repaid \$20.0 million of 7.99% medium term notes at maturity. The remaining \$29.0 million of 7.99% medium term notes outstanding September 30, 2022 and December 31, 2021 are expected to be repaid in May 2027 at maturity.

On June 10, 2022, we completed the issuance and sale of \$350.0 million of 5.00% senior unsecured notes maturing in 2052, which resulted in approximately \$344.6 million of net proceeds after discount and debt issuance costs.

On August 30, 2022, NIPSCO repaid \$10.0 million of 7.40% medium term notes at maturity.

13. Short-Term Borrowings

We generate short-term borrowings through several sources, described in further detail 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. On February 18, 2022, we extended the termination date of our revolving credit facility to February 18, 2027. We had no outstanding borrowings under this facility as of September 30, 2022 and December 31, 2021.

Commercial Paper Program. Our commercial paper program has a program limit of up to \$1.5 billion. We had \$956.0 million and \$560.0 million of commercial paper outstanding with weighted-average interest rates of 3.11% and 0.24% as of September 30, 2022 and December 31, 2021, respectively.

Accounts Receivable Transfer Programs. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania each maintain a receivables agreement whereby they may transfer their customer accounts receivables to third-party financial institutions through wholly owned and consolidated special purpose entities. The three agreements expire between May 2023 and October 2023 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 September 30, 2022, the maximum amount of debt that could be recognized related to our accounts receivable programs is \$345.0 million.

We had \$318.2 million and zero short-term borrowings related to the securitization transactions as of September 30, 2022 and December 31, 2021, respectively.

For the nine months ended September 30, 2022 and 2021, \$318.2 million and zero, respectively, were recorded as cash flows from 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 \$0.7 million and \$0.3 million for

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

the three months ended September 30, 2022 and 2021, respectively and \$1.7 million and \$1.1 million for the nine months ended September 30, 2022 and 2021, 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.

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

14. 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 September 30, 2022 and December 31, 2021, we had issued stand-by letters of credit of \$10.2 million and \$18.9 million, respectively.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At September 30, 2022 and December 31, 2021, our guarantees for BTAs totaled \$788.0 million and \$288.9 million, respectively. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- D. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover, and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident").

We have been subject to inquiries and investigations by government authorities and regulatory agencies regarding the Greater Lawrence Incident. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office for the District of Massachusetts to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident, as described below. The Company and Columbia of Massachusetts entered into an agreement with the Massachusetts Attorney General's Office (among other parties) to resolve the Massachusetts DPU and the Massachusetts Attorney General's Office investigations, that was approved by the Massachusetts DPU on October 7, 2020 as part of the sale of the Massachusetts Business to Eversource.

U.S. Department of Justice Investigation. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident. Columbia of Massachusetts agreed to plead guilty in the United States District Court for the District of Massachusetts (the "Court") to violating the Natural Gas Pipeline Safety Act (the "Plea Agreement"), and the Company entered into a Deferred Prosecution Agreement (the "DPA").

On March 9, 2020, Columbia of Massachusetts entered its guilty plea pursuant to the Plea Agreement. The Court sentenced Columbia of Massachusetts on June 23, 2020, in accordance with the terms of the Plea Agreement (as modified). On June 23, 2021, the Court terminated Columbia of Massachusetts' period of probation under the Plea Agreement, which marked the completion of all terms of the Plea Agreement.

Under the DPA, the U.S. Attorney's Office agreed to defer prosecution of the Company in connection with the Greater Lawrence Incident for a three-year period ending on February 26, 2023 (which three-year period may be extended for twelve (12) months upon the U.S. Attorney's Office's determination of a breach of the DPA) subject to certain obligations of the Company, including, but not limited to, the Company's agreement, as to each of the Company's subsidiaries involved in the distribution of gas through pipeline facilities in Massachusetts, Indiana, Ohio, Pennsylvania, Maryland, Kentucky and Virginia to implement and adhere to each of the recommendations from the NTSB stemming from the Greater Lawrence Incident. Pursuant to the DPA, if the Company complies with all of its obligations under the DPA, the U.S. Attorney's Office will not file any criminal charges against the Company related to the Greater Lawrence Incident.

Private Actions. Various lawsuits, including several purported class action lawsuits, were filed by various affected residents or businesses in Massachusetts state courts against the Company and/or Columbia of Massachusetts in connection with the Greater Lawrence Incident.

On March 12, 2020, the Court granted final approval of the settlement of the consolidated class action. With respect to claims not included in the consolidated class action, many of the asserted wrongful death and bodily injury claims have settled, and we

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

Shareholder Derivative Lawsuit. On April 28, 2020, a shareholder derivative lawsuit was filed by the City of Detroit Police and Fire Retirement System in the United States District Court for the District of Delaware against certain of the Company's current and former directors, alleging state-law claims for breaches of fiduciary duty with respect to the pipeline safety management systems relating to the distribution of natural gas prior to the Greater Lawrence Incident and also including federal-law claims related to our proxy statement disclosures regarding our safety systems. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of any unjust enrichment. On March 9, 2021, the district court granted the defendants' motion to dismiss the federal-law claims with prejudice for failure to state a claim on which relief can be granted and declined to exercise jurisdiction over the state-law claims, which were dismissed without prejudice.

Following the dismissal of the federal court action, on April 29, 2021, the same plaintiff filed a shareholder derivative lawsuit in the Delaware Court of Chancery against certain of our current and former directors related to substantially the same matters as those alleged in the dismissed federal derivative complaint and alleged a single count for breach of fiduciary duty. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of compensation by the individual defendants. On June 30, 2022, the Court of Chancery issued a Memorandum Opinion granting the defendants' motion to dismiss. The deadline for the plaintiff to appeal the dismissal lapsed on August 12, 2022.

FERC Investigation. In April 2022, NIPSCO was notified that the FERC Office of Enforcement ("OE") is conducting an investigation of an industrial customer for allegedly manipulating the MISO Demand Response ("DR") market. The customer and NIPSCO are cooperating with the investigation. If the OE ultimately were to seek to require the customer to repay any portion of the DR revenue received from MISO, it is reasonably possible that the OE would also seek to require NIPSCO to disgorge administrative fees and foregone margin charges that NIPSCO collected pursuant to its own IURC-approved tariff. NIPSCO currently estimates the maximum amount of its disgorgement exposure to be \$9.7 million, and the investigation is still ongoing. NIPSCO intends to seek indemnification under its agreements with the customer for any liability NIPSCO incurs related to this matter.

Other Claims and Proceedings. We are also party to certain other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, none of which we believe to be individually material at this time.

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. If one or more other 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.

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 September 30, 2022 and December 31, 2021, we had recorded a liability of \$93.7 million and \$91.1 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities" 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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, NIPSCO 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 Gas Distribution Operations 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. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2022. Our total estimated liability related to the facilities subject to remediation was \$88.0 million and \$85.1 million at September 30, 2022 and December 31, 2021, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. We believe that it is reasonably possible that remediation costs could vary by as much as \$17 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.

CCRs. We are in compliance with the EPA's final rule for the regulation of CCRs. The CCR rule also resulted in 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.

D. Other Matters.

Generation Transition. 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. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC, successful execution by NIPSCO of an agreement with a tax equity partner and timely completion of construction. NIPSCO has received IURC approval for all of its BTAs and PPAs. NIPSCO and the tax equity partner, for each respective BTA, are obligated to make cash contributions to the joint venture that acquires the project at the date construction is substantially complete. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. 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 joint venture from the tax equity partner.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

15. Accumulated Other Comprehensive Loss

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

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of July 1, 2022	\$ (7.5)	\$ (19.5)	\$ (8.8)	\$ (35.8)
Other comprehensive income (loss) before reclassifications	(4.6)	16.2	—	11.6
Amounts reclassified from accumulated other comprehensive loss	0.1	—	0.6	0.7
Net current-period other comprehensive income (loss)	(4.5)	16.2	0.6	12.3
Balance as of September 30, 2022	\$ (12.0)	\$ (3.3)	\$ (8.2)	\$ (23.5)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2022	\$ 2.1	\$ (122.5)	\$ (6.4)	\$ (126.8)
Other comprehensive income (loss) before reclassifications	(14.4)	119.1	(3.3)	101.4
Amounts reclassified from accumulated other comprehensive loss	0.3	0.1	1.5	1.9
Net current-period other comprehensive income (loss)	(14.1)	119.2	(1.8)	103.3
Balance as of September 30, 2022	\$ (12.0)	\$ (3.3)	\$ (8.2)	\$ (23.5)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of July 1, 2021	\$ 4.4	\$ (113.1)	\$ (14.9)	\$ (123.6)
Other comprehensive income (loss) before reclassifications	(0.6)	6.5	—	5.9
Amounts reclassified from accumulated other comprehensive loss	(0.2)	0.1	0.4	0.3
Net current-period other comprehensive income (loss)	(0.8)	6.6	0.4	6.2
Balance as of September 30, 2021	\$ 3.6	\$ (106.5)	\$ (14.5)	\$ (117.4)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2021	\$ 6.0	\$ (147.9)	\$ (14.8)	\$ (156.7)
Other comprehensive income (loss) before reclassifications	(2.0)	41.3	(1.3)	38.0
Amounts reclassified from accumulated other comprehensive loss	(0.4)	0.1	1.6	1.3
Net current-period other comprehensive income (loss)	(2.4)	41.4	0.3	39.3
Balance as of September 30, 2021	\$ 3.6	\$ (106.5)	\$ (14.5)	\$ (117.4)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

16. Other, Net

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

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Interest income	\$ 2.1	\$ 1.1	\$ 3.6	\$ 2.7
AFUDC equity	4.0	3.5	11.0	8.4
Pension and other postretirement non-service benefit	5.3	9.3	17.6	26.4
Miscellaneous	(1.3)	0.4	(2.2)	(0.3)
Total Other, net	\$ 10.1	\$ 14.3	\$ 30.0	\$ 37.2

17. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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. We use operating income as our primary measurement for each of the reported segments and make 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.

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	\$ 572.4	\$ 472.3	\$ 2,750.2	\$ 2,182.4
Intersegment	3.1	3.0	9.4	9.1
Total	575.5	475.3	2,759.6	2,191.5
Electric Operations				
Unaffiliated	516.3	478.9	1,383.5	1,284.9
Intersegment	0.2	0.2	0.6	0.6
Total	516.5	479.1	1,384.1	1,285.5
Corporate and Other				
Unaffiliated	0.8	8.2	12.3	23.7
Intersegment	115.3	108.6	349.5	329.9
Total	116.1	116.8	361.8	353.6
Eliminations	(118.6)	(111.8)	(359.5)	(339.6)
Consolidated Operating Revenues	\$ 1,089.5	\$ 959.4	\$ 4,146.0	\$ 3,491.0
Operating Income (Loss)				
Gas Distribution Operations	\$ 33.4	\$ 11.0	\$ 624.8	\$ 419.1
Electric Operations	123.3	140.4	295.1	307.9
Corporate and Other	—	(4.3)	(19.6)	(4.5)
Consolidated Operating Income	\$ 156.7	\$ 147.1	\$ 900.3	\$ 722.5

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	37
Summary of Consolidated Financial Results	39
Results and Discussion of Segment Operations	40
Gas Distribution Operations	41
Electric Operations	44
Liquidity and Capital Resources	48
Regulatory, Environmental and Safety Matters	52
Market Risk Disclosures	55
Other Information	56

[Table of Contents](#)

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, 2021.

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: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) embark 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 conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. The Safety Management System ("SMS") is an established operating model within NiSource. With the continued support and advice from our Quality Review Board (a panel of third parties with safety operations expertise engaged by management to advise on safety matters), we are continuing to mature our SMS processes, capabilities and talent as we collaborate within and across industries to enhance safety and reduce operational risk. Additionally, we continue to pursue regulatory and legislative initiatives that will allow customers not currently on our system to obtain gas and electric service in a cost effective manner.

Your Energy, Your Future: Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, as described in our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, and we are continually adjusting to the dynamic renewable energy landscape. As of September 30, 2022, we have executed and received IURC approval for BTAs and PPAs with a combined nameplate capacity of 1,950 MW and 1,380 MW, respectively, under the 2018 Plan. Further, we have placed three wind projects into service and completed the retirement of R.M. Schahfer Generating Station Units 14 and 15. We anticipate delays on our previously announced solar and storage projects due to several factors, including the U.S. Department of Commerce investigation. In connection with these delays, we currently expect to retire R.M. Schahfer's remaining two coal units by the end of 2025. In June 2022, the Biden Administration announced a 24-month tariff relief on solar panels subject to the ongoing U.S. Department of Commerce investigation and authorized the use of the Defense Production Act of 1950, as amended (the "Defense Production Act"), to accelerate domestic production of clean energy technologies, including solar panel parts. In August 2022, the Inflation Reduction Act ("IRA") was signed into law. We see the IRA as generally supportive of our generation transition strategy and as having the potential to drive increased value for our customers. We are still evaluating the impacts of this legislation on our projects. For additional information, see "Results and Discussion of Segment Operations - Electric 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 lays out a timeline to retire the Michigan City Generating Station which is expected to occur between 2026 and 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 natural gas peaking unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. The planned retirement of the two vintage gas peaking units at the R.M. Schahfer Generating Station is expected to occur between 2025 and 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval. We are continuing to evaluate potential projects under the 2021 Plan given the responses to our Request for Proposal issued in August 2022.

NiSource Next: Starting in 2021, we optimized our workforce by redefining roles to sharpen our focus on safety and risk mitigation, operational rigor, and adherence to process and procedures, as well as implemented consistent span of control for

[Table of Contents](#)

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

NiSource Inc.

leadership to increase individual responsibility and clear accountability. Additionally, we began to make advancements across our operations to improve safety, operational efficiencies, and customer satisfaction through continued standardization of work processes, the implementation of new mobile technology to provide real-time access to information while serving our customers and enhanced customer self-service options to better meet customer expectations. These enhancements set the foundation for 2022 and beyond, to continue improving safety and customer experience through analytics and significant technology investments.

Economic Environment: We are monitoring risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of decreased construction labor productivity in the event of disruptions in the availability of materials. We are also seeing increasing prices associated with certain materials and supplies. To the extent that delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

Early in 2022, NIPSCO experienced a rail service shortage in deliveries of coal, particularly to its Michigan City Generating Station, and the primary rail carrier for that generating station was unable to provide assurance of adequate future service to maintain coal inventory. A lack of adequate coal deliveries to any of our coal-fired generating facilities for an extended period could deplete our inventories to a level that prevents the generating station from running, and NIPSCO would need to rely on market purchases of replacement power, which could increase the cost of electricity for NIPSCO's customers. NIPSCO believes these shortages have been resolved but continues to monitor deliveries of coal from its rail carriers. We do not expect this to have a material impact on our operations.

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 competitive and attractive appeal for potential recruits. With a focus on workforce planning, we are creating flexible work arrangements where we can, and being anticipatory in evaluating our talent footprint for the future to ensure we have the right people, in the right role, and at the right time. To the extent we are unable to execute on our workforce planning initiatives and experience increased employee and contractor costs, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

We have seen an increase in natural gas costs as the spot market for natural gas has substantially increased since the start of 2022. Nationally, levels of gas in storage are lower in 2022 compared to 2021, liquified natural gas exports to Europe continue at a steady pace, and domestic production is seeing a recent decline in demand. These factors drive increased volatility in the marketplace, which we expect to influence customer bills through 2022. For the nine months ended September 30, 2022, we have not seen this increase have a material impact on our results of operations. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and " - Market Risk Disclosures."

Due to rising interest rates, we are experiencing higher interest expense in 2022 compared to 2021 associated with short-term borrowings. We expect additional interest rate increases throughout the remainder of the year that will negatively impact our cash flows and financial condition. 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."

[Table of Contents](#)

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 and nine months ended September 30, 2022 and 2021 are presented below:

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Favorable (Unfavorable)	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 1,089.5	\$ 959.4	\$ 130.1	\$ 4,146.0	\$ 3,491.0	\$ 655.0
Operating Expenses						
Cost of energy	330.8	208.3	(122.5)	1,421.2	913.4	(507.8)
Other Operating Expenses	602.0	604.0	2.0	1,824.5	1,855.1	30.6
Total Operating Expenses	932.8	812.3	(120.5)	3,245.7	2,768.5	(477.2)
Operating Income	156.7	147.1	9.6	900.3	722.5	177.8
Total Other Deductions, Net	(81.5)	(70.1)	(11.4)	(229.8)	(216.3)	(13.5)
Income Taxes	11.7	14.8	3.1	119.9	90.6	(29.3)
Income from Continuing Operations	63.5	62.2	1.3	550.6	415.6	135.0
Net Income	63.5	62.2	1.3	550.6	415.6	135.0
Net loss attributable to noncontrolling interest	(2.3)	(1.0)	1.3	(9.0)	(3.4)	5.6
Net Income Attributable to NiSource	65.8	63.2	2.6	559.6	419.0	140.6
Preferred dividends	(13.8)	(13.8)	—	(41.4)	(41.4)	—
Net Income Available to Common Shareholders	52.0	49.4	2.6	518.2	377.6	140.6
Earnings Per Share						
Basic Earnings Per Share	\$ 0.13	\$ 0.13	\$ —	\$ 1.28	\$ 0.96	\$ 0.32
Diluted Earnings Per Share	\$ 0.12	\$ 0.12	\$ —	\$ 1.18	\$ 0.91	\$ 0.27

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

Net income available to common shareholders for the three months ended September 30, 2022 is comparable to the same period in 2021. The increase in net income available to common shareholders during the nine months ended September 30, 2022 was primarily due to higher revenues from outcomes of gas base rate proceedings and regulatory capital programs, as well as an insurance settlement related to the Greater Lawrence Incident, offset by higher income taxes in 2022 compared to the 2021.

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

Other Deductions, net

Other deductions, net for the three and nine months ended September 30, 2022 is comparable to the same periods in 2021. See Note 12, "Long-Term Debt," Note 13, "Short-Term Borrowings," and Note 10, "Pension and Other Postemployment Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 9, "Income Taxes," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

Changes in tax laws, as well as the potential tax effects of business decisions, could negatively impact our business, results of operations (including our expected project returns from our planned renewable energy projects), financial condition and cash flows. We continue to monitor the implementation of any final and proposed tax legislation and regulations related to the IRA which introduces a new corporation minimum tax, excise tax on stock buy-backs, and an extension of a technology neutral investment tax credit and production tax credit regime beginning in 2023.

[Table of Contents](#)

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

NiSource Inc.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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.

[Table of Contents](#)

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

**NiSource Inc.
Gas Distribution Operations**

Financial and operational data for the Gas Distribution Operations segment for the three and nine months ended September 30, 2022 and 2021 are presented below.

<i>(in millions)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Favorable (Unfavorable)	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 575.5	\$ 475.3	\$ 100.2	\$ 2,759.6	\$ 2,191.5	\$ 568.1
Operating Expenses						
Cost of energy	158.0	89.0	(69.0)	1,000.5	597.0	(403.5)
Operation and maintenance	237.0	232.4	(4.6)	774.1	725.1	(49.0)
Depreciation and amortization	104.3	96.9	(7.4)	307.2	283.4	(23.8)
Loss (gain) on sale of fixed assets and impairments, net	—	(0.1)	(0.1)	(105.0)	8.0	113.0
Other taxes	42.8	46.1	3.3	158.0	158.9	0.9
Total Operating Expenses	542.1	464.3	(77.8)	2,134.8	1,772.4	(362.4)
Operating Income	\$ 33.4	\$ 11.0	\$ 22.4	\$ 624.8	\$ 419.1	\$ 205.7
Revenues						
Residential	\$ 332.3	\$ 309.8	\$ 22.5	\$ 1,772.7	\$ 1,472.9	\$ 299.8
Commercial	115.5	101.3	14.2	634.3	501.6	132.7
Industrial	42.9	41.4	1.5	159.3	144.0	15.3
Off-System	72.7	14.6	58.1	150.5	46.0	104.5
Other	12.1	8.2	3.9	42.8	27.0	15.8
Total	\$ 575.5	\$ 475.3	\$ 100.2	\$ 2,759.6	\$ 2,191.5	\$ 568.1
Sales and Transportation (MMDth)						
Residential	13.6	12.4	1.2	169.8	161.5	8.3
Commercial	17.7	17.3	0.4	126.1	118.8	7.3
Industrial	115.6	123.3	(7.7)	365.6	384.4	(18.8)
Off-System	10.6	4.1	6.5	23.2	15.7	7.5
Other	—	—	—	0.2	0.2	—
Total	157.5	157.1	0.4	684.9	680.6	4.3
Heating Degree Days	87	44	43	3,493	3,353	140
Normal Heating Degree Days	60	70	(10)	3,428	3,475	(47)
% Colder (Warmer) than Normal	45 %	(37)%		2 %	(4)%	
% Colder than 2021	98 %			4 %		
Gas Distribution Customers						
Residential				2,952,458	2,942,031	10,427
Commercial				250,919	250,931	(12)
Industrial				4,860	4,904	(44)
Other				3	3	—
Total				3,208,240	3,197,869	10,371

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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

The underlying reasons for changes in our operating revenues for the three and nine months ended September 30, 2022 compared to the same periods in 2021 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2022 vs 2021	Nine Months Ended September 30, 2022 vs 2021
Changes in Operating Revenues (in millions)		
New rates from base rate proceedings and regulatory capital programs	\$ 24.3	\$ 109.3
The effects of weather in 2022 compared to 2021	2.5	13.2
Higher revenue related to off system sales	1.8	5.9
Higher revenue due to the effects of resuming common credit mitigation practices	0.6	3.6
The effects of customer growth	—	3.6
Other	0.1	5.4
Change in operating revenues (before cost of energy and other tracked items)	\$ 29.3	\$ 141.0
Operating revenues offset in operating expense		
Higher cost of energy billed to customers	69.0	403.5
Higher tracker deferrals within operation and maintenance, depreciation, and tax	1.9	23.6
Total change in operating revenues	\$ 100.2	\$ 568.1

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 Gas Distribution 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

Total volumes for the three months ended September 30, 2022 are comparable to the same period in 2021.

The increase in total volumes for the nine months ended September 30, 2022 compared to the same period in 2021 is primarily attributable to the effects of colder weather.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution 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 Gas Distribution 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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

The underlying reasons for changes in our operating expenses for the three and nine months ended September 30, 2022 compared to the same periods in 2021 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2022 vs 2021	Nine Months Ended September 30, 2022 vs 2021
Changes in Operating Expenses (in millions)		
Higher outside services expenses	\$ (12.4)	\$ (21.0)
Higher depreciation and amortization expense	(7.5)	(23.5)
Higher environmental remediation costs	(0.2)	(3.8)
Lower NiSource Next program expenses	5.1	16.9
Lower other than income taxes primarily related to property tax expense	4.4	10.1
Lower (higher) employee and administrative related expenses	4.0	(17.9)
Lower (higher) materials and supplies expense	3.1	(4.3)
The loss on sale and expenses related to the Massachusetts Business in 2021	2.9	17.1
Property insurance settlement related to the Greater Lawrence Incident	—	105.0
Other	(6.3)	(13.9)
Change in operating expenses (before cost of energy and other tracked items)	\$ (6.9)	\$ 64.7
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers	(69.0)	(403.5)
Higher tracker deferrals within operation and maintenance, depreciation, and tax	(1.9)	(23.6)
Total change in operating expense	\$ (77.8)	\$ (362.4)

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three and nine months ended September 30, 2022 and 2021 are presented below.

<i>(in millions)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Favorable (Unfavorable)	2022	2021	Favorable (Unfavorable)
Operating Revenues	\$ 516.5	\$ 479.1	\$ 37.4	\$ 1,384.1	\$ 1,285.5	\$ 98.6
Operating Expenses						
Cost of energy	172.8	119.3	(53.5)	420.8	316.4	(104.4)
Operation and maintenance	126.5	120.5	(6.0)	367.3	366.9	(0.4)
Depreciation and amortization	88.1	83.3	(4.8)	267.0	250.4	(16.6)
Other taxes	5.8	15.6	9.8	33.9	43.9	10.0
Total Operating Expenses	393.2	338.7	(54.5)	1,089.0	977.6	(111.4)
Operating Income	\$ 123.3	\$ 140.4	\$ (17.1)	\$ 295.1	\$ 307.9	\$ (12.8)
Revenues						
Residential	\$ 178.7	\$ 178.7	\$ —	\$ 454.3	\$ 439.8	\$ 14.5
Commercial	158.9	151.6	7.3	428.1	404.4	23.7
Industrial	152.1	126.0	26.1	421.0	368.3	52.7
Wholesale	4.1	4.8	(0.7)	10.6	11.3	(0.7)
Other	22.7	18.0	4.7	70.1	61.7	8.4
Total	\$ 516.5	\$ 479.1	\$ 37.4	\$ 1,384.1	\$ 1,285.5	\$ 98.6
Sales (GWh)						
Residential	1,080.6	1,159.4	(78.8)	2,745.2	2,785.0	(39.8)
Commercial	1,044.7	1,057.0	(12.3)	2,845.3	2,829.1	16.2
Industrial	2,076.3	2,081.0	(4.7)	6,078.8	6,295.1	(216.3)
Wholesale	4.9	37.2	(32.3)	37.0	81.7	(44.7)
Other	17.9	36.1	(18.2)	67.5	83.7	(16.2)
Total	4,224.4	4,370.7	(146.3)	11,773.8	12,074.6	(300.8)
Cooling Degree Days	592	658	(66)	934	976	(42)
Normal Cooling Degree Days	573	556	17	820	795	25
% Warmer than Normal	3 %	18 %		14 %	23 %	
% Colder than 2021	(10)%			(4)%		
Electric Customers						
Residential				423,764	421,074	2,690
Commercial				58,196	57,860	336
Industrial				2,133	2,140	(7)
Wholesale				711	719	(8)
Other				3	2	1
Total				484,807	481,795	3,012

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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating revenues for the three and nine months ended September 30, 2022 compared to the same periods in 2021 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2022 vs 2021	Nine Months Ended September 30, 2022 vs 2021
Changes in Operating Revenues (in millions)		
PPA revenue from renewable joint venture projects, fully offset by JV operating expenses	\$ 3.6	\$ 18.3
Increased fuel handling costs	2.3	4.0
The effects of customer growth	1.3	3.8
New rates from regulatory capital and DSM programs	0.7	2.9
The effects of weather in 2022 compared to 2021	(7.5)	(4.0)
Reduction in gross receipts tax, offset in operating expenses	(6.5)	(5.9)
Decreased customer usage	(5.7)	(10.8)
FAC over earnings reserve	(3.7)	(3.7)
FAC adjustment ⁽¹⁾	—	(8.0)
Other	(3.4)	(2.9)
Change in operating revenues (before cost of energy and other tracked items)	\$ (18.9)	\$ (6.3)
Operating revenues offset in operating expense		
Higher cost of energy billed to customers	53.5	104.4
Higher tracker deferrals within operation and maintenance, depreciation and tax	2.8	0.5
Total change in operating revenues	\$ 37.4	\$ 98.6

⁽¹⁾See Note 6, "Regulatory Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year 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 heating or cooling degree day comparison.

Sales

The decrease in total volumes sold for the three and nine months ended September 30, 2022 compared to the same periods in 2021 was primarily attributable to decreased usage by industrial customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides 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 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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating expenses for the three and nine months ended September 30, 2022 compared to the same periods in 2021 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2022 vs 2021	Nine Months Ended September 30, 2022 vs 2021
Changes in Operating Expenses (in millions)		
Higher outside services expenses	\$ (12.5)	\$ (6.1)
Renewable joint venture project expenses, offset by JV operating revenues	(6.6)	(19.6)
Reduction in gross receipts tax, offset in operating revenues	6.5	5.9
Lower employee and administrative expenses	4.3	3.0
Expenses related to the accelerated retirement of the R.M. Schahfer Generating Station's coal Units 14 and 15 in 2021	2.7	11.3
Lower (higher) depreciation and amortization expense driven by the joint venture depreciation adjustment ⁽¹⁾	2.0	(4.9)
Lower NiSource Next program expenses	1.9	6.2
Effects of environmental recoveries in 2021	—	(6.5)
Other	3.5	4.2
Change in operating expenses (before cost of energy and other tracked items)	\$ 1.8	\$ (6.5)
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers	(53.5)	(104.4)
Higher tracker deferrals within operation and maintenance, depreciation and tax	(2.8)	(0.5)
Total change in operating expense	\$ (54.5)	\$ (111.4)

⁽¹⁾See Note 6, "Regulatory Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan, which outlines plans to retire its remaining coal-fired generation by 2026-2028, to be replaced by lower-cost, reliable and cleaner options. We retired R.M. Schahfer Generating Station Units 14 and 15 on October 1, 2021. The remaining two coal units, at Schahfer are currently expected to be retired by the end of 2025. See "Expected Project Delays" discussion, below, and "Liquidity and Capital Resources" in this Management's Discussion for anticipated barriers to the success of our electric generation transition and additional information on our capital investment spend.

NIPSCO will also continue to work with the EPA and the Indiana Department of Environmental Management to obtain administrative approvals associated with the continued operation of R.M. Schahfer’s remaining two coal units beyond 2023. These agencies are unlikely to deny approvals, but in the event that the approvals are not obtained, future operations could be impacted. We cannot estimate the financial impact on us if these approvals are not obtained.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from this 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.

Three wind projects have been placed into service, totaling approximately 804 MW of nameplate capacity. All announced projects below have received IURC approval. During 2022, NIPSCO amended certain of its BTAs and PPAs. NIPSCO is discussing potentially amending other BTAs and PPAs. Any amendments that result in increased project costs may require additional approval by the IURC in order to obtain recovery for increased costs. Our current replacement program will be augmented by the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

[Table of Contents](#)

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

**NiSource Inc.
Electric Operations**

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)
Dunn's Bridge I ⁽¹⁾	BTA	Solar	265	—
Indiana Crossroads ⁽¹⁾	BTA	Solar	200	—
Dunn's Bridge II ⁽¹⁾	BTA	Solar & Storage	435	75
Cavalry ⁽¹⁾	BTA	Solar & Storage	200	60
Fairbanks ⁽¹⁾	BTA	Solar	250	—
Elliott ⁽¹⁾	BTA	Solar	200	—
Indiana Crossroads II	15 year PPA	Wind	204	—
Brickyard	20 year PPA	Solar	200	—
Greensboro	20 year PPA	Solar & Storage	100	30
Gibson	22 year PPA	Solar	280	—
Green River	20 year PPA	Solar	200	—

⁽¹⁾Ownership of the facility will be transferred to joint ventures whose members include NIPSCO and an unrelated tax equity partner.

Expected Project Delays. Compared to the previously disclosed targeted construction completion dates in our Annual Report on Form 10-K for the year ended December 31, 2021, we estimate delays for most projects to range from six to 18 months, resulting in the majority of our projects, and investment, being in service between 2023 and 2025. We do not currently anticipate any delays to the 2023 in-service date of our outstanding wind energy project. The expected delays and inflationary cost pressures communicated from the developers of our solar and storage projects are primarily due to (i) unavailability of solar panels and other uncertainties related to the pending U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd., (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring potential delays communicated by the developers of our renewable energy projects related to local permitting processes and obtaining interconnection rights. Preliminary findings from the DOC Investigation, including potential tariff amounts, are expected to be released in November 2022, with a final decision expected between January 2023 and March 2023. We have received and are evaluating several notices of possible force majeure from developers in connection with solar panel availability. The resolution of these issues, including the final conclusion of the DOC Investigation will determine what additional costs or delays our solar projects will be subject to as a result of any tariffs imposed. If any of these impacts result in cost increases for certain projects, such potential impacts are expected to result in the need for us to seek additional regulatory review and approvals. Additionally, significant changes to project costs and schedules as a result of these factors could impact the viability of the projects.

In June 2022, the U.S. Department of Homeland Security published its Uyghur Forced Labor Prevention Act Entity List (the "List"). None of the developers or suppliers of our renewable energy projects were named on the List. Additionally, the Biden Administration announced a 24-month tariff relief on solar panels subject to the ongoing U.S. Department of Commerce investigation and authorized the use of the Defense Production Act, to accelerate domestic production of clean energy technologies, including solar panel parts.

We, along with the developers of these generation projects, are continuously evaluating potential impacts to the targeted completion date of each project. Delays to the completion dates of our projects could also include delays in the financial return of certain investments and impact the overall timing of our electric generation transition. Although we are not currently expecting delays to extend the completion dates of our six solar and storage BTA projects beyond the currently planned sunset of investment tax credits at the end of 2025 under the existing tax laws, if such delays occur, they could impact the economic viability of the projects.

[Table of Contents](#)

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 \$1.5 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 February 18, 2022, we amended our revolving credit agreement to, among other things, extend its term to February 18, 2027. The commercial paper program and credit facility provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves our desired capital structure. On June 10, 2022, we completed the issuance and sale of \$350.0 million of 5.00% senior unsecured notes maturing in 2052, which resulted in approximately \$344.6 million of net proceeds after discount and debt issuance costs. We intend to disburse an amount equal to the net proceeds of the notes to finance, in whole or in part, the acquisition of our 302 MW Indiana Crossroads Wind project and 102 MW Rosewater Wind project from the project developer. We utilize an ATM equity program that allows us to issue and sell shares of our common stock up to an aggregate issuance of \$750.0 million through December 31, 2023. As of September 30, 2022, the ATM program (including the impact of the forward sale agreement) had approximately \$300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on our ATM program and Equity Units. On November 7, 2022, we announced that we intend to pursue the sale of a minority interest in our NIPSCO business unit.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2022 and beyond.

Greater Lawrence Incident. As discussed in Note 14, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited), due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim related to the Greater Lawrence Incident will not continue to have an adverse impact on our cash flows. Through income generated from operating activities, amounts available under the short-term revolving credit facility, and our ability to access capital markets, we believe we have adequate capital available to settle remaining anticipated claims associated with the Greater Lawrence Incident.

Operating Activities

Net cash from operating activities for the nine months ended September 30, 2022 was \$1,036.2 million, an increase of \$96.9 million compared to the nine months ended September 30, 2021. This increase was primarily driven by year over year increased cash inflows related to the collection of under-recovered gas and fuel costs from the prior year and increased revenues. We also received a refund in 2022 from a gas supplier that will be passed back to customers through the GCA mechanism in each affected jurisdiction. This was offset by increased cash outflows related to inventory balances year over year due to higher gas costs.

Investing Activities

Net cash used for investing activities for the nine months ended September 30, 2022 was \$1,682.7 million, an increase of \$288.5 million compared to the nine months ended September 30, 2021. Our current year investing activities were comprised of increased capital expenditures related to system growth and reliability and payments to a renewable generation asset developer related to the Dunn's Bridge I construction milestones, which were offset by insurance recoveries in the current year.

As we evaluate adjustments to renewable generation project timing, we remain on track to make capital investments totaling \$2.4 billion to \$2.7 billion during the 2022 period. We also expect to invest approximately \$15.0 billion during the 2023-2027 period, included in these amounts are capital investments to support our generation transition strategy. These forecasted capital investments and those included in our Annual Report on Form 10-K for the year ended December 31, 2021, are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates. For example, the timing and ultimate cost associated with solar and battery storage capital expenditures may vary due to the U.S. Department of Commerce's investigation into an Antidumping and Countervailing Duties circumvention claim on solar cells and panels supplied from Malaysia, Vietnam, Thailand and Cambodia. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

[Table of Contents](#)

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

NiSource Inc.

Regulatory Capital Programs. We replace pipe and modernize our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2022, 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 as well as other federally mandated compliance investments currently in rates or pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered ⁽¹⁾	Rates Effective
Columbia of Ohio ⁽²⁾	IRP - 2022	\$ 25.0	\$ 232.9	1/21-12/21	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe, (3) natural gas risers prone to failure and (4) installation of AMR devices.	May 2022
Columbia of Ohio ⁽²⁾	CEP - 2022	\$ 32.2	\$ 253.5	1/21-12/21	Assets not included in the IRP.	September 2022
NIPSCO - Gas ⁽³⁾	TDSIC 4	\$ 0.5	\$ 77.5	7/21-12/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	July 2022
NIPSCO - Gas ⁽⁴⁾	FMCA 1	\$ 1.5	\$ 14.1	10/21-3/22	Project costs to comply with federal mandates.	October 2022
Columbia of Virginia	SAVE - 2023	\$ 5.1	\$ 51.1	1/23-12/23	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2023
Columbia of Kentucky	SMRP - 2023	\$ 4.8	\$ 41.6	1/23-12/23	Replacement of mains and inclusion of system safety investments.	January 2023
Columbia of Maryland	STRIDE - 2022	\$ 1.3	\$ 17.5	1/22-12/22	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2022
NIPSCO - Electric ⁽⁵⁾	TDSIC - 1	\$ 10.4	\$ 148.5	6/21-1/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2022
NIPSCO - Electric	TDSIC - 2	\$ 6.6	\$ 143.5	2/22-7/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	February 2023

⁽¹⁾Programs do not include any costs already included in base rates.

⁽²⁾The January through March 2021 investments included in these filings are also included in the pending Columbia of Ohio rate case. The infrastructure filings will be adjusted to reflect the final rate case outcome.

⁽³⁾NIPSCO Gas program incremental revenue decreased because of revisions for the Step 1 rate case compliance filing amounts included in base rates.

⁽⁴⁾NIPSCO filed a new certificate of public convenience and necessity on April 1, 2022 for an additional Pipeline Safety III Compliance Plan, including \$235.3M in capital and \$34.1M in operation and maintenance expense project investments.

⁽⁵⁾NIPSCO filed for a new electric TDSIC plan on June 1, 2021. An order approving NIPSCO's new electric TDSIC plan was received on December 28, 2021. NIPSCO filed its first tracker, TDSIC - 1, on March 30, 2022. An order was received and approved on July 27, 2022.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated \$40.0 million of federally mandated retirement costs. On November 2, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of R.M. Schahfer Generation Station's multi-cell unit. The project includes a total estimated \$53.0 million of federally mandated retirement costs. NIPSCO is requesting all associated accounting and ratemaking relief, including establishment of a periodic rate adjustment through the FMCA mechanism. Refer to Note 14, "Other Commitments and Contingencies - C. Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

On April 1, 2022, NIPSCO Gas filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for a Pipeline Safety III Compliance Plan. The federally mandated costs include a total estimated \$228.7 million of capital costs as well as \$34.1 million of operation and maintenance programs. NIPSCO Gas is requesting all associated accounting and ratemaking relief, including establishment of a periodic rate adjustment mechanism.

Financing Activities

Common Stock, Preferred Stock and Equity Units. Refer to Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock activity.

[Table of Contents](#)

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

NiSource Inc.

Long-Term Debt. Refer to Note 12, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on long-term debt.

Short-Term Debt and Sale of Trade Accounts Receivables. Refer to Note 13, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity, including sale of trade accounts receivable.

Noncontrolling Interest. Refer to Note 11, "Variable Interest Entities," 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 September 30, 2022 and December 31, 2021:

<i>(in millions)</i>	September 30, 2022	December 31, 2021
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	318.2	251.2
<i>Less:</i>		
Commercial Paper	956.0	560.0
Accounts Receivable Programs Utilized	318.2	—
Letters of Credit Outstanding Under Credit Facility	10.2	18.9
<i>Add:</i>		
Cash and Cash Equivalents	35.8	84.2
Net Available Liquidity	\$ 919.6	\$ 1,606.5

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

Debt Covenants. We are subject to financial covenants under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70%. As of September 30, 2022, the ratio was 59.1%.

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 September 30, 2022. 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 September 30, 2022, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$67.9 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 620,000,000 shares, \$0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of September 30, 2022, 406,049,747 shares of common stock and 1,302,500 shares of preferred stock were outstanding.

[Table of Contents](#)

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

NiSource Inc.

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, 2021. Except for our June debt issuance, there were no additional material changes from year-end during the nine months ended September 30, 2022. Refer to Note 12, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuance.

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 business. Such agreements include guarantees and stand-by letters of credit. Refer to Note 14, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

[Table of Contents](#)

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 Gas Distribution 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 offers 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 Gas Distribution 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 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. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric 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 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 will continue efforts to design rates that increase the certainty of recovery of fixed costs.

[Table of Contents](#)

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	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Currently Approved in Current or Future Rates							
Columbia of Pennsylvania ⁽¹⁾	10.95 %	None specified	\$ 98.3	\$ 58.5	March 30, 2021	Approved December 16, 2021	December 2021
Columbia of Maryland	10.85 %	9.65 %	\$ 4.8	\$ 2.4	May 14, 2021	Approved December 3, 2021	December 2021
Columbia of Kentucky ⁽²⁾	10.30 %	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	Approved December 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	10.95 %	None specified	\$ 14.2	\$ 1.3	August 28, 2018	Approved June 12, 2019	February 2019
Columbia of Ohio	11.50 %	10.39 %	\$ 87.8	\$ 47.1	March 3, 2008	Approved December 3, 2008	December 2008
NIPSCO - Gas ⁽⁴⁾	10.50 %	9.85 %	\$ 109.7	\$ 71.8	September 29, 2021	Approved July 27, 2022	September 2022
NIPSCO - Electric	10.80 %	9.75 %	\$ 21.4	(\$ 53.5)	October 31, 2018	Approved December 4, 2019	January 2020
Active Rate Cases							
Columbia of Ohio ⁽⁵⁾	10.95 %	In process	\$ 221.4	In process	June 30, 2021	Order Expected Q1 2023	Pending
Columbia of Pennsylvania ⁽⁶⁾	11.20 %	In process	\$ 82.2	In process	March 18, 2022	Order Expected Q4 2022	December 2022
Columbia of Virginia ⁽⁷⁾	10.75 %	In process	\$ 40.6	In process	April 29, 2022	Order Expected Q1 2023	Interim Rates October 2022
Columbia Gas of Maryland ⁽⁸⁾	10.95 %	In process	\$ 5.5	In process	May 13, 2022	Order Expected Q4 2022	December 2022
NIPSCO - Electric ⁽⁹⁾	10.40 %	In process	\$ 291.8	In process	September 19, 2022	Order Expected Q3 2023	September 2023

⁽¹⁾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 without specifying ratemaking elements to establish the Company's revenue requirement. Pursuant to the settlement, for purposes of calculating its DSIC, Columbia of Pennsylvania shall use the equity return rate for gas utilities contained in the Pennsylvania Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities, including quarterly updates thereto.

⁽²⁾The approved ROE for natural gas capital riders (e.g. SMRP) is 9.275%.

⁽³⁾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 filings.

⁽⁴⁾New rates will be implemented in 2 steps, with implementation of step 1 rates effective in September 2022 and step 2 rates to be effective in March 2023.

⁽⁵⁾On October 31, 2022, certain parties to Columbia of Ohio's rate case filed a Joint Stipulation and Recommendation for Approval of a Settlement Agreement that provides for an annual revenue increase of \$68.2 million and an ROE of 9.60%.

⁽⁶⁾The parties to Columbia of Pennsylvania's rate case filed a Joint Petition for Partial Settlement on September 2, 2022 for an annual revenue increase of \$44.5 million. On October 4, 2022, the Administrative Law Judges issued their recommended decision to approve the Partial Settlement without modification.

⁽⁷⁾The revenue request including the SAVE tracker related amount is \$58.2 million. Beginning October 2022, interim rates will be billed subject to refund, pending a final commission order.

⁽⁸⁾On September 2, 2022, the parties to Columbia of Maryland's rate case filed a Joint Motion for Approval of Settlement Agreement that provides for an annual revenue increase of \$4.8 million and an ROE of 9.65%. On November 3, 2022, the Maryland Public Service Commission issued the Judge's Proposed Order, which recommends the acceptance of the settlement without modification. Subject to full Commission review and approval, the Proposed Order will become a final order on November 17, 2022.

⁽⁹⁾New rates will be implemented in 2 steps, with implementation of step 1 rates to be effective in September 2023 and step 2 rates to be effective in March 2024.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

PHMSA Regulations

On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law, reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA 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. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement and utilize advanced leak detection technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment. Natural gas companies, including NiSource and our subsidiaries, may see increased costs depending on how PHMSA implements the new mandates resulting from the PIPES Act.

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.

Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows. We continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act, signed into law in November 2021; the IRA, signed into law in August 2022; and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the Infrastructure Investment and Jobs Act 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 over the next five years. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

Federal Policy. In February 2021, the United States rejoined 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. Subsequently, the Biden Administration released 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 pathways to reach these goals.

On June 30, 2022, the Supreme Court of the United States ruled for the petitioners in *West Virginia v. EPA*, which examined the authority of the EPA to regulate GHG emissions from the power sector. We will continue to evaluate this matter, but we remain committed to our previously stated carbon reduction goals.

State Policy. The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, the Virginia Energy Innovation Act ("the 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 is required to adopt a plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the net zero goal by 2030. The Act also

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

enacts a state policy to move to broader electrification of both existing buildings and new construction, and requires the Public Service Commission 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. Columbia of Maryland will continue to monitor this matter, but we cannot predict its final impact on our business at this time.

NIPSCO, Columbia of Maryland, Columbia of Pennsylvania and Columbia of Virginia each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows 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. NIPSCO reached settlement with other parties in September 2022 and agreed to add a third tier to offset 25% of customer usage. Columbia of Maryland withdrew the filing from its rate case and refiled it as a separate issue on September 16, 2022.

Net-Zero Goal. In response to these transition risks and opportunities, on November 7, 2022, we announced a goal of net-zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 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 percent from 2005 levels by 2025 and reducing Scope 1 greenhouse gas emissions from company-wide operations by 90 percent 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- or zero-emission energy resources and technologies, such as hydrogen, renewable natural gas, 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 2021, we had reduced Scope 1 GHG emissions by approximately 58% 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.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans. Additionally, as discussed above in this Management's Discussion within "Liquidity and Capital Resources - Regulatory Capital Programs," our natural gas distribution companies are lowering methane emissions by replacing aging infrastructure, which also increases safety and reliability for customers and communities.

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 Operations 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.

[Table of Contents](#)

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

NiSource Inc.

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited and does not bear signification 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 7, "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 September 30, 2022 and December 31, 2021.

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 \$2.3 million and \$5.0 million for the three and nine months ended September 30, 2022, and \$0.4 million and \$1.8 million for the three and nine months ended September 30, 2021, 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.

Refer to Note 7, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of September 30, 2022 and December 31, 2021.

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 closely monitor the financial status of our banking credit providers. 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.

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, 2021. There were no material changes made as of September 30, 2022.

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.

[Table of Contents](#)

NiSource Inc.

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.

[Table of Contents](#)

NiSource Inc.

PART II

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 14, "Other Commitments and Contingencies - B. Legal Proceedings," in the Notes to the Condensed Consolidated Financial Statements (unaudited). This information is supplemented by Note 14, "Other Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements (unaudited) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022.

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, 2021, as supplemented by the risk factor set forth in Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022.

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

None.

[Table of Contents](#)

ITEM 6. EXHIBITS

NiSource Inc.

- (3.1) Bylaws of NiSource Inc., as amended and restated through August 9, 2022 (incorporated by reference to [Exhibit 3.1 to the NiSource Inc. Form 8-K](#) filed on August 10, 2022).
 - (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.

[Table of Contents](#)

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: November 7, 2022

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer)

Exhibit 31.1

**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 for the quarter ended September 30, 2022;
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(s) 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: November 7, 2022

By:

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Exhibit 31.2

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

I, Donald E. Brown, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended September 30, 2022;
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(s) 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: November 7, 2022

By:

/s/ Donald E. Brown

Donald E. Brown
Executive Vice President and Chief Financial
Officer

Exhibit 32.1

**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 September 30, 2022 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 results of operations of the Company.

/s/ Lloyd M. Yates

Lloyd M. Yates
President and Chief Executive Officer

Date: November 7, 2022

Exhibit 32.2

**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 September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Brown, 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 results of operations of the Company.

/s/ Donald E. Brown

Donald E. Brown
Executive Vice President and Chief Financial Officer

Date: November 7, 2022

TAB 71

807 KAR 5:001 Section 16(7)(p)

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, 2023

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 Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	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: 413,063,219 shares outstanding at April 25, 2023.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2023

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I</u>	
<u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	14
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Item 3. Quantitative and Qualitative Disclosures About Market Risk	52
Item 4. Controls and Procedures	52
<u>PART II</u>	
<u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	53
Item 1A. Risk Factors	53
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	53
Item 3. Defaults Upon Senior Securities	53
Item 4. Mine Safety Disclosures	53
Item 5. Other Information	53
Item 6. Exhibits	54
Signature	55

DEFINED TERMS

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

NiSource Subsidiaries and Affiliates

Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Massachusetts	Bay State Gas Company
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
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

Abbreviations and Other

AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASU	Accounting Standards Update
ATM	At-the-market
BTA	Build-transfer agreement
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019 and its variants, including the Delta and Omicron variants, and any other variant that may emerge
DPU	Department of Public Utilities
DSIC	Distribution System Improvement Charge
EPA	United States Environmental Protection Agency
EPS	Earnings per share
Equity Units	Series A Equity Units
FAC	Fuel adjustment clause
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FMCA	Federally Mandated Cost Adjustment
GAAP	Generally Accepted Accounting Principles
GCA	Gas cost adjustment
GHG	Greenhouse gases
GWh	Gigawatt hours
IRA	Inflation Reduction Act
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
JV	Joint Venture

	<u>DEFINED TERMS</u>
LIBOR	London InterBank Offered Rate
LIFO	Last In, First Out
LIHEAP	Low Income Heating Energy Assistance Programs
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NYMEX	New York Mercantile Exchange
OPEB	Other Postemployment Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PUCO	Public Utilities Commission of Ohio
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
Section 201 Tariffs	Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026
SMRP	Safety Modification and Replacement Program
SMS	Safety Management System
SOFR	Secured Overnight Financing Rate
STRIDE	Strategic Infrastructure Development Enhancement
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
U.S. Attorney's Office	U.S. Attorney's Office for the District of Massachusetts
VIE	Variable Interest Entity

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"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, many 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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	14
1. Basis of Accounting Presentation	14
2. Recent Accounting Pronouncements	14
3. Revenue Recognition	14
4. Earnings Per Share	16
5. Equity	18
6. Gas in Storage	19
7. Regulatory Matters	20
8. Risk Management Activities	20
9. Fair Value	22
10. Income Taxes	25
11. Pension and Other Postretirement Benefits	25
12. Variable Interest Entities	25
13. Long-Term Debt	26
14. Short-Term Borrowings	26
15. Other Commitments and Contingencies	27
16. Accumulated Other Comprehensive Loss	29
17. Other, Net	29
18. Business Segment Information	30

[Table of Contents](#)

PART I

ITEM 1. FINANCIAL STATEMENTS

**NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)**

	Three Months Ended March 31,	
	2023	2022
<i>(in millions, except per share amounts)</i>		
Operating Revenues		
Customer revenues	\$ 1,896.1	\$ 1,840.3
Other revenues	69.9	33.0
Total Operating Revenues	1,966.0	1,873.3
Operating Expenses		
Cost of energy	765.1	706.7
Operation and maintenance	391.2	394.3
Depreciation and amortization	206.9	192.7
Gain on sale of assets, net	—	(105.0)
Other taxes	71.8	84.3
Total Operating Expenses	1,435.0	1,273.0
Operating Income	531.0	600.3
Other Income (Deductions)		
Interest expense, net	(108.9)	(83.7)
Other, net	1.5	10.9
Total Other Deductions, Net	(107.4)	(72.8)
Income before Income Taxes	423.6	527.5
Income Taxes	85.8	96.2
Net Income	337.8	431.3
Net income attributable to noncontrolling interest	4.8	4.5
Net Income Attributable to NiSource	333.0	426.8
Preferred dividends	(13.8)	(13.8)
Net Income Available to Common Shareholders	319.2	413.0
Earnings Per Share		
Basic Earnings Per Share	\$ 0.77	\$ 1.02
Diluted Earnings Per Share	\$ 0.71	\$ 0.94
Basic Average Common Shares Outstanding	412.8	406.0
Diluted Average Common Shares	447.1	441.4

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

<i>(in millions, net of taxes)</i>	Three Months Ended March 31,	
	2023	2022
Net Income	\$ 337.8	\$ 431.3
Other comprehensive income:		
Net unrealized gain (loss) on available-for-sale debt securities ⁽¹⁾	2.0	(5.7)
Reclassification adjustment for cash flow hedges ⁽²⁾	0.1	47.0
Unrecognized pension and OPEB benefit ⁽³⁾	0.3	0.1
Total other comprehensive income	2.4	41.4
Comprehensive Income	\$ 340.2	\$ 472.7

⁽¹⁾Net unrealized gain (loss) on available-for-sale securities, net of \$0.5 million tax expense and \$1.5 million tax benefit in the first quarter of 2023 and 2022, respectively.

⁽²⁾Reclassification adjustment for cash flow hedges, net of \$0.1 million tax benefit and \$21.3 million tax expense in the first quarter of 2023 and 2022, respectively.

⁽³⁾Unrecognized pension and OPEB benefit, net of \$0.1 million and zero tax expense in the first quarter of 2023 and 2022, respectively.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

<i>(in millions)</i>	March 31, 2023	December 31, 2022
ASSETS		
Property, Plant and Equipment		
Plant	\$ 28,065.6	\$ 27,551.3
Accumulated depreciation and amortization	(7,838.0)	(7,708.7)
Net Property, Plant and Equipment ⁽¹⁾	20,227.6	19,842.6
Investments and Other Assets		
Unconsolidated affiliates	2.2	1.6
Available-for-sale debt securities (amortized cost of \$162.8 and \$166.7, allowance for credit losses of \$0.8 and \$0.9, respectively)	150.4	151.6
Other investments	74.3	71.0
Total Investments and Other Assets	226.9	224.2
Current Assets		
Cash and cash equivalents	106.4	40.8
Restricted cash	41.9	34.6
Accounts receivable	954.2	1,065.8
Allowance for credit losses	(31.4)	(23.9)
Accounts receivable, net	922.8	1,041.9
Gas inventory	138.8	531.7
Materials and supplies, at average cost	172.6	151.4
Electric production fuel, at average cost	64.9	68.8
Exchange gas receivable	92.1	128.1
Regulatory assets	237.6	233.2
Deposits to renewable generation asset developer	281.2	143.8
Prepayments and other	278.2	210.0
Total Current Assets ⁽¹⁾	2,336.5	2,584.3
Other Assets		
Regulatory assets	2,319.2	2,347.6
Goodwill	1,485.9	1,485.9
Deferred charges and other	257.6	252.0
Total Other Assets	4,062.7	4,085.5
Total Assets	\$ 26,853.7	\$ 26,736.6

⁽¹⁾Includes \$972.7 million and \$978.5 million at March 31, 2023 and December 31, 2022, respectively, of net property, plant and equipment assets and \$33.8 million and \$25.7 million at March 31, 2023 and December 31, 2022, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 12, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

Condensed Consolidated Balance Sheets (unaudited) (continued)

<i>(in millions, except share amounts)</i>	March 31, 2023	December 31, 2022
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - \$0.01 par value, 600,000,000 shares authorized; 412,982,639 and 412,142,602 shares outstanding, respectively	\$ 4.2	\$ 4.2
Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 1,302,500 and 1,302,500 shares outstanding, respectively	1,546.5	1,546.5
Treasury stock	(99.9)	(99.9)
Additional paid-in capital	7,372.9	7,375.3
Retained deficit	(1,114.8)	(1,213.6)
Accumulated other comprehensive loss	(34.7)	(37.1)
Total NiSource Stockholders' Equity	7,674.2	7,575.4
Noncontrolling interest in consolidated subsidiaries	329.5	326.4
Total Equity	8,003.7	7,901.8
Long-term debt, excluding amounts due within one year	10,264.7	9,523.6
Total Capitalization	18,268.4	17,425.4
Current Liabilities		
Current portion of long-term debt	30.3	30.0
Short-term borrowings	1,281.6	1,761.9
Accounts payable	642.2	899.5
Dividends payable - common stock	103.4	—
Dividends payable - preferred stock	19.4	—
Customer deposits and credits	225.5	324.7
Taxes accrued	268.7	246.2
Interest accrued	139.2	138.4
Exchange gas payable	19.6	147.6
Regulatory liabilities	359.1	236.8
Asset retirement obligations	48.1	35.5
Accrued compensation and employee benefits	124.5	167.5
Obligations to renewable generation asset developer	347.2	347.2
Other accruals	298.1	325.2
Total Current Liabilities ⁽¹⁾	3,906.9	4,660.5
Other Liabilities		
Deferred income taxes	1,950.1	1,854.5
Accrued liability for postretirement and postemployment benefits	239.6	245.5
Regulatory liabilities	1,725.5	1,775.8
Asset retirement obligations	464.7	478.1
Other noncurrent liabilities and deferred credits	298.5	296.8
Total Other Liabilities ⁽¹⁾	4,678.4	4,650.7
Commitments and Contingencies (Refer to Note 15, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 26,853.7	\$ 26,736.6

⁽¹⁾Includes \$135.4 million and \$128.2 million at March 31, 2023 and December 31, 2022, respectively, of current liabilities and \$30.7 million and \$30.6 million at March 31, 2023 and December 31, 2022, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 12, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Three Months Ended March 31, (in millions)	2023	2022
Operating Activities		
Net Income	\$ 337.8	\$ 431.3
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	206.9	192.7
Deferred income taxes and investment tax credits	75.5	87.2
Gain on sale of assets	—	(105.0)
Other adjustments	1.1	8.0
Changes in Assets and Liabilities:		
Components of working capital	71.1	(42.4)
Regulatory assets/liabilities	11.0	24.9
Deferred charges and other noncurrent assets	(12.0)	(7.4)
Other noncurrent liabilities and deferred credits	(8.0)	(9.5)
Net Cash Flows from Operating Activities	683.4	579.8
Investing Activities		
Capital expenditures	(557.1)	(450.1)
Insurance recoveries	—	105.0
Payment to renewable generation asset developer	(137.3)	—
Other investing activities	(33.4)	(25.3)
Net Cash Flows used for Investing Activities	(727.8)	(370.4)
Financing Activities		
Proceeds from Issuance of long-term debt	744.2	—
Repayments of finance lease obligations	(8.1)	(7.3)
Change in short-term borrowings, net (maturity ≤ 90 days)	(480.4)	(40.0)
Issuance of common stock, net of issuance costs	3.0	2.8
Equity costs, grant withholdings and debt related costs	(11.8)	(8.9)
Contributions from noncontrolling interest	3.6	—
Distributions to noncontrolling interest	(5.3)	(0.6)
Dividends paid - common stock	(103.2)	(95.3)
Dividends paid - preferred stock	(8.1)	(8.1)
Contract liability payment	(16.6)	(16.5)
Net Cash Flows from (used for) Financing Activities	117.3	(173.9)
Change in cash, cash equivalents and restricted cash	72.9	35.5
Cash, cash equivalents and restricted cash at beginning of period	75.4	94.9
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 148.3	\$ 130.4

Reconciliation to Balance Sheet

Three Months Ended March 31, (in millions)	2023
Cash and cash equivalents	106.4
Restricted Cash	41.9
Total Cash, Cash Equivalents and Restricted Cash	148.3

Supplemental Disclosures of Cash Flow Information

Three Months Ended March 31, (in millions)	2023	2022
Non-cash transactions:		
Capital expenditures included in current liabilities	\$ 261.1	\$ 183.4
Dividends declared but not paid	122.8	114.7

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2023	\$ 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 5)	—	—	—	—	(27.5)	—	—	(27.5)
Contributions from noncontrolling interest	—	—	—	—	—	—	3.6	3.6
Distributions to noncontrolling interests	—	—	—	—	—	—	(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
Balance as of March 31, 2023	\$ 4.2	\$ 1,546.5	\$ (99.9)	\$ 7,372.9	\$ (1,114.8)	\$ (34.7)	\$ 329.5	\$ 8,003.7

⁽¹⁾Series A, Series B, and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity," for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,204.3	\$ (1,580.9)	\$ (126.8)	\$ 325.6	\$ 7,272.9
Comprehensive Income:								
Net income	—	—	—	—	426.8	—	4.5	431.3
Other comprehensive income, net of tax	—	—	—	—	—	41.4	—	41.4
Dividends:								
Common stock (\$0.47 per share)	—	—	—	—	(190.7)	—	—	(190.7)
Preferred stock (See Note 5)	—	—	—	—	(27.5)	—	—	(27.5)
Distributions to noncontrolling interest	—	—	—	—	—	—	(0.6)	(0.6)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.2	—	—	—	1.2
Long-term incentive plan	—	—	—	0.9	—	—	—	0.9
401(k) and profit sharing	—	—	—	2.5	—	—	—	2.5
Balance as of March 31, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,208.9	\$ (1,372.3)	\$ (85.4)	\$ 329.5	\$ 7,531.4

⁽¹⁾Series A, Series B and Series C shares have an aggregate liquidation preference of \$400M, \$500M, and \$863M, respectively. See Note 5, "Equity," for additional information.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

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

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2022	1,303	409,266	(3,963)	405,303
Issued:				
Employee stock purchase plan	—	44	—	44
Long-term incentive plan	—	300	—	300
401(k) and profit sharing	—	87	—	87
Balance as of March 31, 2022	1,303	409,697	(3,963)	405,734

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

[Table of Contents](#)

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, 2022. 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 Adopted Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. These pronouncements provide temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. These pronouncements were effective upon issuance on March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, to extend the temporary accounting rules under Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. During 2022, the company applied a practical expedient under Topic 848 which allowed for the continuation of cash flow hedge accounting for interest rate derivative contracts upon the transition from LIBOR to alternative reference rates. The application of this expedient had no impact on the Condensed Consolidated Financial Statements (unaudited).

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties 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):

Three Months Ended March 31, 2023 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations	Corporate and Other	Total
Customer Revenues⁽¹⁾				
Residential	\$ 987.0	\$ 150.4	\$ —	\$ 1,137.4
Commercial	360.6	150.9	—	511.5
Industrial	71.9	134.2	—	206.1
Off-system	17.2	—	—	17.2
Miscellaneous	18.4	5.5	—	23.9
Total Customer Revenues	\$ 1,455.1	\$ 441.0	\$ —	\$ 1,896.1
Other Revenues	46.2	23.5	0.2	69.9
Total Operating Revenues	\$ 1,501.3	\$ 464.5	\$ 0.2	\$ 1,966.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustments driven by warmer weather in 2023 compared to 2022.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Three Months Ended March 31, 2022 (in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other ⁽²⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 976.9	\$ 138.5	\$ —	\$ 1,115.4
Commercial	356.5	134.5	—	491.0
Industrial	67.8	129.8	—	197.6
Off-system	18.7	—	—	18.7
Miscellaneous	14.0	3.6	—	17.6
Total Customer Revenues	\$ 1,433.9	\$ 406.4	\$ —	\$ 1,840.3
Other Revenues	2.8	23.7	6.5	33.0
Total Operating Revenues	\$ 1,436.7	\$ 430.1	\$ 6.5	\$ 1,873.3

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

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, 2023 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.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2022	\$ 560.5	\$ 453.0
Balance as of March 31, 2023	595.3	304.6

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.

[Table of Contents](#)

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, 2023 and December 31, 2022 are presented in the table below:

<i>(in millions)</i>	Gas Distribution Operations		Electric Operations		Corporate and Other		Total
Balance as of January 1, 2023	\$	17.2	\$	5.9	\$	0.8	\$ 23.9
Current period provisions		10.4		2.0		—	12.4
Write-offs charged against allowance		(12.1)		(1.5)		—	(13.6)
Recoveries of amounts previously written off		8.5		0.2		—	8.7
Balance as of March 31, 2023	\$	24.0	\$	6.6	\$	0.8	\$ 31.4

<i>(in millions)</i>	Gas Distribution Operations		Electric Operations		Corporate and Other		Total
Balance as of January 1, 2022	\$	18.9	\$	3.8	\$	0.8	\$ 23.5
Current period provisions		29.1		6.9		—	36.0
Write-offs charged against allowance		(52.1)		(5.3)		—	(57.4)
Recoveries of amounts previously written off		21.3		0.5		—	21.8
Balance as of December 31, 2022	\$	17.2	\$	5.9	\$	0.8	\$ 23.9

4. 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 purposes of determining diluted EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three months ended March 31, 2023 and 2022 using the if-converted method under US GAAP. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the stock price falls below the initial reference price of \$24.51, subject to anti-dilution adjustments, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the stock price is above the initial reference price of \$24.51, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment is reflected in the calculation of diluted EPS for interest expense incurred for the three months ended March 31, 2023 and 2022 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which resulted in additional dilution from our Equity Units by requiring us to assume share settlement of the remaining purchase contract payment balance based on the average share price during the period.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of March 31, 2023 and 2022, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three months ended March 31, 2023 and 2022.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive.

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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

During 2022, we had no outstanding securities other than common and preferred stock, which required holders' participation in dividends and earnings; therefore, we were not required to calculate EPS under the two-class method. Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by giving effect to all potential shares of common stock, to the extent they are dilutive.

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

	Three Months Ended March 31,	
	2023	2022
<i>(in millions, except per share amounts)</i>		
Numerator:		
Net Income Available to Common Shareholders	\$ 319.2	\$ 413.0
Less: Income allocated to participating securities	0.2	—
Net Income Available to Common Shareholders - Basic	319.0	413.0
Add: Dilutive effect of Equity Units	0.4	0.5
Net Income Available to Common Shareholders - Diluted	\$ 319.4	\$ 413.5
Denominator:		
Average common shares outstanding - Basic	412.8	406.0
Dilutive potential common shares:		
Equity Units purchase contracts	31.2	29.1
Equity Units purchase contract payment balance	1.8	4.0
Shares contingently issuable under employee stock plans	0.8	1.0
Shares restricted under employee stock plans	0.5	0.4
ATM forward agreements	—	0.9
Average Common Shares - Diluted	447.1	441.4
Earnings per common share:		
Basic	\$ 0.77	\$ 1.02
Diluted	\$ 0.71	\$ 0.94

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

5. Equity

ATM Program. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$750.0 million of our common stock. As of March 31, 2023, the ATM program had approximately \$300.0 million of equity available for issuance. The program expires on December 31, 2023. There are no outstanding forward agreements as of March 31, 2023.

Preferred Stock. As of March 31, 2023, we had 20,000,000 shares of preferred stock authorized for issuance, of which 1,302,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

(in millions except shares and per share amounts)	Liquidation Preference Per Share	Shares	Three Months Ended		March 31, 2023	December 31, 2022
			March 31, 2023	March 31, 2022		
			Dividends Declared Per Share		Outstanding	
5.650% Series A	\$ 1,000.00	400,000	28.25	28.25	\$ 393.9	\$ 393.9
6.500% Series B	\$ 25,000.00	20,000	812.50	812.50	\$ 486.1	\$ 486.1
Series C ⁽¹⁾	\$ 1,000.00	862,500	—	—	\$ 666.5	\$ 666.5

⁽¹⁾The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock.

In addition, 20,000 shares of Series B-1 Preferred Stock, par value \$0.01 per share, were outstanding as of March 31, 2023. Holders of Series B-1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B-1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption, or repurchase of the underlying Series B Preferred Stock.

As of March 31, 2023 and 2022, Series A Preferred Stock had \$6.7 million of cumulative preferred dividends in arrears, or \$16.63 per share, and Series B Preferred Stock had \$1.4 million of cumulative preferred dividends in arrears, or \$72.23 per share.

Equity Units. On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of Corporate Units, each with a stated amount of \$100. The offering generated net proceeds of \$835.5 million, after underwriting and issuance expenses. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share.

Selected information about the Equity Units at the issuance date is presented below:

(in millions except contract rate)	Issuance Date	Units Issued	Total Net Proceeds ⁽¹⁾	Purchase Contract Annual Rate	Purchase Contract Liability
Equity Units	April 19, 2021	8.625	\$ 835.5	7.75 %	\$ 168.8

⁽¹⁾Issuance costs of \$27.0 million were recorded on a relative fair value basis as a reduction to preferred stock of \$22.5 million and a reduction to the purchase contract liability of \$4.5 million.

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is \$100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred Stock will initially be pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The Series C Mandatory Convertible Preferred Stock is expected to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We will pay quarterly contract adjustment payments at the rate of 7.75% per year on the stated amount of \$100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments have been paid, we will not declare or pay any dividends on, or make any distributions on, or redeem, purchase or acquire, or make a liquidation payment with respect to, any shares of our capital stock; make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that rank on parity with, or junior to, the contract adjustment payments; or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the contract adjustment payments. As of March 31, 2023, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of March 31, 2023 and December 31, 2022 the purchase contract liability, net of issuance costs, was \$48.8 million and \$65.0 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of \$16.7 million were made during the three months ended March 31, 2023 and 2022.

The Series C Mandatory Convertible Preferred Stock and forward purchase contracts are legally detachable and separately exercisable, however, due to the economic linkage between the forward purchase contract and the Series C Mandatory Convertible Preferred Stock, we have concluded that the ability to separate the Corporate Units is non-substantive. Accordingly, we are accounting for the Corporate Units as a single unit of account. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock. This liability is included in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).

Refer to Note 4, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million. Had we settled the remaining purchase contract payment balance in shares at March 31, 2023, we would have issued approximately 1.8 million shares.

6. 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 \$22.3 million and zero as of March 31, 2023 and December 31, 2022, respectively, for certain gas distribution companies recorded within "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).

[Table of Contents](#)

[ITEM 1. FINANCIAL STATEMENTS \(continued\)](#)

NiSource Inc.

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

7. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas agreed to change the depreciation methodology for its calculation of depreciation rates, which reduces depreciation expense and subsequent revenues and cash flows. An order was received on July 27, 2022 approving the rate case and rates were effective as of September 1, 2022. NIPSCO has proposed a similar change in depreciation methodology in its pending electric base rate case, and this proposed change is included in the settlement that has been filed for approval. An order is expected in the electric rate case in August of 2023.

Columbia of Ohio regulatory filing update

Columbia of Ohio's base rate case was filed on June 21, 2021, requesting a net rate increase of approximately 21.3% or \$221.4 million increase in revenue per year. The case was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. On October 31, 2022, Columbia of Ohio filed a joint stipulation and recommendation with certain parties to settle the base rate case. On January 26, 2023, the PUCO modified and approved the joint stipulation and recommendation, and Columbia of Ohio placed rates into effect on March 1, 2023. Applications for Rehearing were filed by the three parties who opposed certain rate design and energy efficiency assistance components of the joint stipulation and recommendation, which was granted for further consideration by the PUCO on March 22, 2023.

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 expense" on the Condensed Statements of Consolidated Income (unaudited). NiSource recorded a decrease to depreciation expense of \$4.4 million and \$2.9 million for the three months ended March 31, 2023 and 2022, respectively. Refer to Note 12, "Variable Interest Entities," for additional information.

8. 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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

<i>(in millions)</i>	March 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current⁽¹⁾				
Derivatives designated as hedging instruments	\$ —	\$ —	\$ —	\$ —
Derivatives not designated as hedging instruments	5.0	5.4	18.8	1.1
Total	\$ 5.0	\$ 5.4	\$ 18.8	\$ 1.1
Noncurrent⁽²⁾				
Derivatives designated as hedging instruments	\$ —	\$ —	\$ —	\$ —
Derivatives not designated as hedging instruments	46.5	1.1	66.0	1.9
Total	\$ 46.5	\$ 1.1	\$ 66.0	\$ 1.9

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

⁽²⁾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, 2023. 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 \$45.0 million and \$81.8 million at March 31, 2023 and December 31, 2022, 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 quarterly GCA mechanism.

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, for us or 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, 2023 and December 31, 2022, we had 92.8 MMDth and 99.0 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, 2023, the remaining terms of these instruments range from one to four years.

The following table summarizes the gains and losses associated with the commodity price risk programs:

<i>(in millions)</i>	March 31, 2023	December 31, 2022
Regulatory Assets		
Losses on commodity price risk programs	\$ 21.7	\$ 10.0
Regulatory Liabilities		
Gains on commodity price risk programs	52.3	90.0

Our derivative instruments measured at fair value as of March 31, 2023 and December 31, 2022 do not contain any credit-risk-related contingent features.

Derivatives Designated as Hedging Instruments

Interest rate risk management. As of March 31, 2023, we have no active interest rate swap positions.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

The net gain related to multiple of our 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, 2023 and 2022 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. Amortization will continue for 350 months. See Note 16, "Accumulated Other Comprehensive Loss," for additional information.

9. 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, 2023 and December 31, 2022:

Recurring Fair Value Measurements March 31, 2023 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2023
Assets				
Risk management assets	\$ —	\$ 51.5	\$ —	\$ 51.5
Available-for-sale debt securities	—	150.4	—	150.4
Total	\$ —	\$ 201.9	\$ —	\$ 201.9
Liabilities				
Risk management liabilities	\$ —	\$ 6.5	\$ —	\$ 6.5
Total	\$ —	\$ 6.5	\$ —	\$ 6.5

Recurring Fair Value Measurements December 31, 2022 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2022
Assets				
Risk management assets	\$ —	\$ 84.8	\$ —	\$ 84.8
Available-for-sale debt securities	—	151.6	—	151.6
Total	\$ —	\$ 236.4	\$ —	\$ 236.4
Liabilities				
Risk management liabilities	\$ —	\$ 3.0	\$ —	\$ 3.0
Total	\$ —	\$ 3.0	\$ —	\$ 3.0

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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.

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, 2023 and December 31, 2022, 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 has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its 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 8, "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, 2023 and December 31, 2022, we have \$0.8 million and \$0.9 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at March 31, 2023 and December 31, 2022 were:

March 31, 2023 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 67.0	\$ 0.1	\$ (3.3)	\$ —	\$ 63.8
Corporate/Other debt securities	95.8	—	(8.4)	(0.8)	86.6
Total	\$ 162.8	\$ 0.1	\$ (11.7)	\$ (0.8)	\$ 150.4

December 31, 2022 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 67.7	\$ —	\$ (4.5)	\$ —	\$ 63.2
Corporate/Other debt securities	99.0	—	(9.7)	(0.9)	88.4
Total	\$ 166.7	\$ —	\$ (14.2)	\$ (0.9)	\$ 151.6

⁽¹⁾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 \$56.2 million and \$82.5 million, respectively, at March 31, 2023.

⁽²⁾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 \$61.0 million and \$85.5 million, respectively, at December 31, 2022.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were immaterial for the three months ended March 31, 2023 and 2022.

At March 31, 2023, approximately \$6.3 million of U.S. Treasury debt securities and approximately \$4.1 million of Corporate/Other debt securities have maturities of less than a year.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including 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.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity," for additional information.

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, 2023, 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:

(in millions)	Carrying Amount as of March 31, 2023	Estimated Fair Value as of March 31, 2023	Carrying Amount as of Dec. 31, 2022	Estimated Fair Value as of Dec. 31, 2022
Long-term debt (including current portion)	\$ 10,295.0	\$ 9,488.2	\$ 9,553.6	\$ 8,479.4

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

10. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2023 and 2022, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended March 31, 2023 and 2022 were 20.3% and 18.2%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased 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. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The increase in the three month effective tax rate of 2.1% in 2023 compared to 2022 is primarily attributed to renewable partnership income, partially offset by increased amortization of excess deferred federal income tax liabilities, the Pennsylvania rate differential, and restricted stock unit excess benefit.

There were no material changes recorded in 2023 to our uncertain tax positions recorded as of December 31, 2022.

11. 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, 2023, we contributed \$1.2 million to our pension plans and \$5.6 million 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, 2023 and 2022:

Three Months Ended March 31, (in millions)	Pension Benefits		OPEB	
	2023	2022	2023	2022
Components of Net Periodic Benefit (Income) Cost⁽¹⁾				
Service cost	\$ 5.1	\$ 7.1	\$ 1.3	\$ 1.6
Interest cost	17.1	9.4	5.4	3.0
Expected return on assets	(23.6)	(22.9)	(3.8)	(4.0)
Amortization of prior service credit	—	—	(0.5)	(0.6)
Recognized actuarial loss	8.4	4.5	0.8	0.7
Total Net Periodic Benefit (Income) Cost	\$ 7.0	\$ (1.9)	\$ 3.2	\$ 0.7

⁽¹⁾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).

12. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO owns and operates two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO also owns one solar facility, Indiana Crossroads Solar, which is expected to go into service in 2023 with 200 MW of nameplate capacity. We control decisions that are significant to these entities' ongoing operations and economic results. Therefore, we have concluded that we are the primary beneficiary and have consolidated all three entities.

Members of the respective JVs are NIPSCO (who is the managing member) and tax equity partners. 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, and NIPSCO also assumed an obligation to the developers

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

of the wind facilities representing the remaining economic interest. The developers of the wind facilities are not a partner in the JV for federal income tax purposes and do not receive any share of earnings, tax attributes, or cash flows of each JV. Once the tax equity partner has earned their negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the respective JV. NIPSCO has an obligation to purchase, through a PPA at established market rates, 100% of the electricity generated by our in-service 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.

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

<i>(in millions)</i>	March 31, 2023	December 31, 2022
Net Property, Plant and Equipment	\$ 972.7	\$ 978.5
Current assets	33.8	25.7
Total assets⁽¹⁾	1,006.5	1,004.2
Current liabilities	135.4	128.2
Asset retirement obligations	30.7	30.6
Total liabilities	\$ 166.1	\$ 158.8

⁽¹⁾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.

13. Long-Term Debt

On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs.

14. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreement. 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, 2023 and December 31, 2022.

Commercial Paper Program. Our commercial paper program has a program limit of up to \$1.5 billion. We had zero and \$415.0 million of commercial paper outstanding with weighted-average interest rates of zero and 4.60% as of March 31, 2023 and December 31, 2022, 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 wholly owned and consolidated special purpose entities. The three agreements expire between August 2023 and May 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, 2023, the maximum amount of debt that could be borrowed related to our accounts receivable programs is \$635.5 million.

We had \$281.8 million and \$347.2 million of short-term borrowings related to the securitization transactions as of March 31, 2023 and December 31, 2022, respectively.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

For the three months ended March 31, 2023 \$65.4 million was recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. For the three months ended March 31, 2022 \$355.0 million was recorded as cash flows from financing activities related to the change in short-term borrowings due to securitization transactions. Fees associated with the securitization transactions were \$0.9 million and \$0.3 million for the three months ended March 31, 2023 and 2022, 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 Agreement. On December 20, 2022, we entered into a \$1.0 billion term credit agreement with a syndicate of banks. The agreement matures on December 19, 2023 and interest charged on the borrowings depends on the variable rate structure elected at the time of each borrowing. The available variable rate structures from which we can choose are defined in the agreement. Under the agreement, we borrowed \$1.0 billion on December 20, 2022 with an interest rate of SOFR plus 105 basis points. We had \$1.0 billion outstanding with interest rates of 5.81% and 5.37% as of March 31, 2023 and December 31, 2022, respectively.

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

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, 2023 and December 31, 2022, we had issued stand-by letters of credit of \$10.2 million for the benefit of third parties.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At March 31, 2023 and December 31, 2022, our guarantees for multiple BTAs totaled \$841.6 million. As of April 2023, the amount of the guarantees increased to \$938.9 million in accordance with the Fairbanks BTA. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- D. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings.

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. 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.

Private Actions. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover, and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident"). There continue to be asserted wrongful death and bodily injury claims as it relates to the Greater Lawrence Incident. We continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

FERC Investigation. In April 2022, NIPSCO was notified that the FERC Office of Enforcement ("OE") is conducting an investigation of an industrial customer for allegedly manipulating the MISO Demand Response ("DR") market. The customer and NIPSCO are cooperating with the investigation. If the OE ultimately were to seek to require the customer to repay any portion of the DR revenue received from MISO, it is reasonably possible that the OE would also seek to require NIPSCO to disgorge administrative fees and foregone margin charges that NIPSCO collected pursuant to its own IURC-approved tariff. NIPSCO currently estimates the maximum amount of its disgorgement exposure to be \$9.7 million, and the investigation is still ongoing. NIPSCO intends to seek indemnification under its agreements with the customer for any liability NIPSCO incurs related to this matter.

Other Legal 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, none of which we believe to be individually material at this time.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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, 2023 and December 31, 2022, we had recorded a liability of \$84.3 million and \$86.5 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities" 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 Gas Distribution Operations 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. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2022. Our total estimated liability related to the facilities subject to remediation was \$79.3 million and \$81.0 million at March 31, 2023 and December 31, 2022, 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 \$17 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.

CCRs. NIPSCO continues to meet the compliance requirements established in the EPA's final rule for the regulation of CCRs. The CCR rule also resulted in 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.

D. Other Matters.

Generation Transition. 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. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC, successful execution by NIPSCO of an agreement with a tax equity partner and timely completion of construction. NIPSCO has received IURC approval for all of its BTAs and PPAs. NIPSCO and the tax equity partner, for each respective BTA, are obligated to make cash contributions to the

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

JV that acquires the project at the date construction is substantially complete. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. 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.

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 ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2023	\$ (11.2)	\$ (12.6)	\$ (13.3)	\$ (37.1)
Other comprehensive income 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	2.0	0.1	0.3	2.4
Balance as of March 31, 2023	\$ (9.2)	\$ (12.5)	\$ (13.0)	\$ (34.7)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2022	\$ 2.1	\$ (122.5)	\$ (6.4)	\$ (126.8)
Other comprehensive income (loss) before reclassifications	(5.9)	47.0	—	41.1
Amounts reclassified from accumulated other comprehensive loss	0.2	—	0.1	0.3
Net current-period other comprehensive income (loss)	(5.7)	47.0	0.1	41.4
Balance as of March 31, 2022	\$ (3.6)	\$ (75.5)	\$ (6.3)	\$ (85.4)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

17. Other, Net

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

<i>(in millions)</i>	Three Months Ended March 31,	
	2023	2022
Interest income	\$ 1.8	\$ 0.9
AFUDC equity	4.8	3.0
Pension and other postretirement non-service benefit (cost)	(3.5)	7.6
Miscellaneous	(1.6)	(0.6)
Total Other, net	\$ 1.5	\$ 10.9

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

18. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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. We use operating income as our primary measurement for each of the reported segments and make 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.

	Three Months Ended	
	March 31,	
<i>(in millions)</i>	2023	2022
Operating Revenues		
Gas Distribution Operations		
Unaffiliated	\$ 1,501.3	\$ 1,436.7
Intersegment	3.1	3.1
Total	1,504.4	1,439.8
Electric Operations		
Unaffiliated	464.5	430.1
Intersegment	0.2	0.2
Total	464.7	430.3
Corporate and Other		
Unaffiliated	0.2	6.5
Intersegment	116.7	113.5
Total	116.9	120.0
Eliminations	(120.0)	(116.8)
Consolidated Operating Revenues	\$ 1,966.0	\$ 1,873.3
Operating Income (Loss)		
Gas Distribution Operations	\$ 446.9	\$ 510.8
Electric Operations	81.9	99.2
Corporate and Other	2.2	(9.7)
Consolidated Operating Income	\$ 531.0	\$ 600.3

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	32
Summary of Consolidated Financial Results	34
Results and Discussion of Segment Operations	35
Gas Distribution Operations	36
Electric Operations	39
Liquidity and Capital Resources	43
Regulatory, Environmental and Safety Matters	47
Market Risk Disclosures	50
Other Information	51

[Table of Contents](#)

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, 2022.

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: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) embark 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 conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. Serving as a guiding practice for our SMS, NiSource is certified in conformance to the American Petroleum Institute Recommended Practice 1173. This certification marks an important milestone for our SMS and NiSource's journey towards operational excellence. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Your Energy, Your Future: Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, initiated through our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, and we are continually adjusting to the dynamic renewable energy landscape. As of March 31, 2023, we have executed and received IURC approval for BTAs and PPAs with a combined nameplate capacity of 1,950 MW and 1,380 MW, respectively, under the 2018 Plan. We continue to make significant progress on our first two solar BTAs and anticipate completion of these projects and tax equity financing by June 2023. 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 1, 2023, the provisions of the 2022 IRA became effective. We are evaluating the impact of this legislation to our renewable projects with potential to drive increased value to customers as part of our expansion of renewable projects and generation transition strategy. We will analyze opportunities to leverage the IRA on a project-by-project basis in consideration of several factors, both quantitative and qualitative, to enable project success and ensure value for the customer and company. For additional information, see "Results and Discussion of Segment Operations - Electric 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 lays out a timeline to retire 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 natural gas peaking unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. The planned retirement of the two vintage gas peaking units 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. We are continuing to evaluate potential projects under the 2021 Plan given the responses to our Request for Proposal issued in August 2022.

[Table of Contents](#)

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

NiSource Inc.

Transformation: Our Enterprise-wide Transformation Roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We have formally launched several initiatives that will enable us to streamline work and improve logistics company-wide. These efforts will 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 the initiatives under the Enterprise-wide Transformation Roadmap will prioritize safety and continue to optimize our long-term growth profile.

Economic Environment: We are monitoring risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of 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 delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion. Additionally, for more information on global availability of materials for our renewable projects, see "Results and Discussion of Segment Operations - Electric Operations - Electric Supply and Generation Transition."

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 appeal for potential recruits. With a focus on workforce planning, we are anticipating to evaluate our talent footprint for the future by creating flexible work arrangements where we can, to ensure we have the right people, in the right role, and at the right time. To the extent we are unable to execute on our workforce planning initiatives and experience increased employee and contractor costs, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

There has been volatility in the market price of natural gas costs which influences customer bills. For the first three quarters of 2022, gas prices increased. Prices began to decrease in November of 2022 and have continued to decrease during the first quarter of 2023. Changes in gas prices do not have a material impact on our results of operations. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and "Market Risk Disclosures."

Due to rising interest rates, we experienced higher interest expense in the first quarter of 2023 compared to the first quarter of 2022 associated with short-term borrowings. 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".

[Table of Contents](#)

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, 2023 and 2022 are presented below:

<i>(in millions, except per share amounts)</i>	Three Months Ended March 31,		
	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 1,966.0	\$ 1,873.3	\$ 92.7
Operating Expenses			
Cost of energy	765.1	706.7	(58.4)
Other Operating Expenses	669.9	566.3	(103.6)
Total Operating Expenses	1,435.0	1,273.0	(162.0)
Operating Income	531.0	600.3	(69.3)
Total Other Deductions, Net	(107.4)	(72.8)	(34.6)
Income Taxes	85.8	96.2	10.4
Net Income	337.8	431.3	(93.5)
Net income attributable to noncontrolling interest	4.8	4.5	(0.3)
Net Income Attributable to NiSource	333.0	426.8	(93.8)
Preferred dividends	(13.8)	(13.8)	—
Net Income Available to Common Shareholders	319.2	413.0	(93.8)
Earnings Per Share			
Basic Earnings Per Share	\$ 0.77	\$ 1.02	\$ (0.25)
Diluted Earnings Per Share	\$ 0.71	\$ 0.94	\$ (0.23)

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

The decrease in net income available to common shareholders during the three months ended March 31, 2023 was primarily due to an insurance settlement related to the Greater Lawrence Incident received in 2022, decreased revenue related to weather and increased other deductions, partially offset by higher revenues from outcomes of gas base rate proceedings and regulatory capital programs.

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

Other Deductions, net

The change in Other deductions, net for the three months ended March 31, 2023 compared to the same period in 2022 is primarily driven by higher long-term and short-term debt interest in 2023 and higher non-service pension costs. See Note 13, "Long-Term Debt," Note 14, "Short-Term Borrowings," and Note 11, "Pension and Other Postemployment Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 10, "Income Taxes," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

Changes in tax laws, as well as the potential tax effects of business decisions, could negatively impact our business, results of operations (including our expected project returns from our planned renewable energy projects), financial condition and cash flows. We continue to monitor the implementation of any final and proposed tax legislation and regulations related to the IRA which introduces a new corporation minimum tax, excise tax on stock buy-backs, and an extension of a technology neutral investment tax credit and production tax credit regime beginning in 2023.

On April 14, 2023, the IRS issued Revenue Procedure 2023-15 which provides a safe harbor method of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve linear property and non-linear natural gas transmission and distribution property must be capitalized as improvements or are allowable as deductions. We are analyzing the provisions of the safe harbor method of accounting which we expect to adopt.

[Table of Contents](#)

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

NiSource Inc.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three months ended March 31, 2023 and 2022 are presented below.

<i>(in millions)</i>	Three Months Ended March 31,		
	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 1,504.4	\$ 1,439.8	\$ 64.6
Operating Expenses			
Cost of energy	602.7	589.1	(13.6)
Operation and maintenance	285.7	277.3	(8.4)
Depreciation and amortization	110.1	100.7	(9.4)
Gain on sale of fixed assets and impairments, net	—	(105.0)	(105.0)
Other taxes	59.0	66.9	7.9
Total Operating Expenses	1,057.5	929.0	(128.5)
Operating Income	\$ 446.9	\$ 510.8	\$ (63.9)
Revenues			
Residential	\$ 1,025.3	\$ 977.6	\$ 47.7
Commercial	365.9	357.5	8.4
Industrial	72.0	68.1	3.9
Off-System	17.2	18.7	(1.5)
Other	24.0	17.9	6.1
Total	\$ 1,504.4	\$ 1,439.8	\$ 64.6
Sales and Transportation (MMDth)			
Residential	103.6	122.9	(19.3)
Commercial	68.4	79.9	(11.5)
Industrial	132.6	135.1	(2.5)
Off-System	7.4	4.3	3.1
Other	0.2	0.2	—
Total	312.2	342.4	(30.2)
Heating Degree Days	2,339	2,841	(502)
Normal Heating Degree Days	2,824	2,824	—
% Colder (Warmer) than Normal	(17)%	1 %	
% Warmer than prior year	(18)%		
Gas Distribution Customers			
Residential	3,003,277	2,980,965	22,312
Commercial	255,384	254,876	508
Industrial	4,934	4,920	14
Other	3	3	—
Total	3,263,598	3,240,764	22,834

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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2023 compared to the same period in 2022 are presented below.

	Favorable (Unfavorable)
	Three Months Ended March 31, 2023 vs 2022
Changes in Operating Revenues (in millions)	
New rates from base rate proceedings and regulatory capital programs	\$ 82.6
Increased customer usage	3.7
The effects of customer growth	1.2
The effects of weather in 2023 compared to 2022	(33.3)
Reduction in gross receipts tax, offset in operating expenses	(6.3)
Other	5.2
Change in operating revenues (before cost of energy and other tracked items)	\$ 53.1
Operating revenues offset in operating expense	
Higher cost of energy billed to customers	13.6
Lower tracker deferrals within operation and maintenance, depreciation, and tax	(2.1)
Total change in operating revenues	\$ 64.6

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 Gas Distribution 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 decrease in total volumes for the three months ended March 31, 2023, compared to the same period in 2022, is primarily attributable to the effects of warmer weather.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution 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 Gas Distribution 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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2023 compared to the same period in 2022 are presented below.

Changes in Operating Expenses <i>(in millions)</i>	Favorable (Unfavorable)
	Three Months Ended March 31, 2023 vs 2022
Reduction in gross receipts tax, offset in operating revenues	\$ 6.3
Lower employee and administrative related expenses	4.1
Property insurance settlement related to the Greater Lawrence Incident received in 2022	(105.0)
Higher depreciation and amortization expense	(9.8)
Higher other than income taxes primarily due to property tax	(2.6)
Impacts from Columbia of Ohio's rate case settlement	(2.6)
Higher expenses related to uncollectible customer accounts	(1.8)
Higher outside services expenses	(1.3)
Other	(4.3)
Change in operating expenses (before cost of energy and other tracked items)	\$ (117.0)
Operating expenses offset in operating revenue	
Higher cost of energy billed to customers	(13.6)
Lower tracker deferrals within operation and maintenance, depreciation, and tax	2.1
Total change in operating expense	\$ (128.5)

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three months ended March 31, 2023 and 2022 are presented below.

<i>(in millions)</i>	Three Months Ended March 31,		
	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 464.7	\$ 430.3	\$ 34.4
Operating Expenses			
Cost of energy	162.4	117.6	(44.8)
Operation and maintenance	125.3	116.6	(8.7)
Depreciation and amortization	85.9	82.9	(3.0)
Other taxes	9.2	14.0	4.8
Total Operating Expenses	382.8	331.1	(51.7)
Operating Income	\$ 81.9	\$ 99.2	\$ (17.3)
Revenues			
Residential	\$ 150.4	\$ 138.5	\$ 11.9
Commercial	150.9	134.5	16.4
Industrial	134.4	130.0	4.4
Wholesale	2.6	2.6	—
Other	26.4	24.7	1.7
Total	\$ 464.7	\$ 430.3	\$ 34.4
Sales (GWh)			
Residential	766.1	819.2	(53.1)
Commercial	856.2	885.3	(29.1)
Industrial	1,937.7	2,007.8	(70.1)
Wholesale	—	4.4	(4.4)
Other	22.8	25.1	(2.3)
Total	3,582.8	3,741.8	(159.0)
Electric Customers			
Residential	425,090	423,177	1,913
Commercial	58,499	58,092	407
Industrial	2,133	2,135	(2)
Wholesale	708	712	(4)
Other	3	2	1
Total	486,433	484,118	2,315

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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2023 compared to the same period in 2022 are presented below.

	Favorable (Unfavorable)
	Three Months Ended March 31, 2023 vs 2022
Changes in Operating Revenues (in millions)	
New rates from regulatory capital and DSM programs	\$ 4.0
PPA revenue from renewable JV projects, fully offset by JV operating expenses and noncontrolling interest net income (loss)	0.6
Decreased customer usage	(8.3)
Reduction in gross receipts tax, offset in operating expenses	(5.9)
The effects of weather in 2023 compared to 2022	(2.0)
Other	(1.7)
Change in operating revenues (before cost of energy and other tracked items)	\$ (13.3)
Operating revenues offset in operating expense	
Higher cost of energy billed to customers	44.8
Higher tracker deferrals within operation and maintenance, depreciation and tax	2.9
Total change in operating revenues	\$ 34.4

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year 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 heating or cooling degree day comparison.

Sales

The decrease in total volumes sold for the three months ended March 31, 2023 compared to the same period in 2022 was primarily attributable to decreased usage by industrial and residential customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides 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 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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2023 compared to the same period in 2022 are presented below.

	Favorable (Unfavorable)
	Three Months Ended March 31, 2023 vs 2022
Changes in Operating Expenses (in millions)	
Higher outside services expenses primarily related to higher generation-related maintenance	\$ (7.0)
Renewable JV project expenses, offset by JV operating revenues	(1.2)
Reduction in gross receipts tax, offset in operating revenues	5.9
Lower employee and administrative expenses	3.3
Other	(5.0)
Change in operating expenses (before cost of energy and other tracked items)	\$ (4.0)
Operating expenses offset in operating revenue	
Higher cost of energy billed to customers	(44.8)
Higher tracker deferrals within operation and maintenance, depreciation and tax	(2.9)
Total change in operating expense	\$ (51.7)

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 Schahfer by the end of 2025 and the remaining coal-fired generation 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 anticipated barriers to the success of our electric generation transition and additional information on our capital investment spend.

NIPSCO continues to work with the EPA and the Indiana Department of Environmental Management to obtain administrative approvals associated with the operation of R.M. Schahfer's remaining two coal units beyond 2023. In the event that the approvals are not obtained, future operations could be impacted. We cannot estimate the financial impact on us if these approvals are not obtained.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from this 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.

Three wind projects have been placed into service, totaling approximately 804 MW of nameplate capacity. All announced projects below have received IURC approval. NIPSCO is evaluating potentially amending other BTAs and PPAs. Any amendments that result in increased project costs may require additional approval by the IURC in order to obtain recovery for increased costs. Our current replacement program will be augmented by the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)
Dunn's Bridge I ⁽¹⁾	BTA	Solar	265	—
Indiana Crossroads ⁽¹⁾	BTA	Solar	200	—
Dunn's Bridge II ⁽¹⁾	BTA	Solar & Storage	435	75
Cavalry ⁽¹⁾	BTA	Solar & Storage	200	60
Fairbanks ⁽¹⁾	BTA	Solar	250	—
Elliott ⁽¹⁾	BTA	Solar	200	—
Indiana Crossroads II	15 year PPA	Wind	204	—
Brickyard	20 year PPA	Solar	200	—
Greensboro	20 year PPA	Solar & Storage	100	30
Gibson	22 year PPA	Solar	280	—
Green River	20 year PPA	Solar	200	—

⁽¹⁾Ownership of the facility will be transferred to JVs whose members are expected to include NIPSCO and an unrelated tax equity partner.

Project Status. Our contract amendments with certain solar agreements will result in the majority of our remaining projects, and investments, being placed in service between 2023 and 2025. These amendments also formally address inflationary cost pressures communicated from the developers of our solar and storage projects that are primarily due to (i) unavailability of solar panels and other uncertainties related to the pending U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd./Uyghur Forced Labor Prevention Act, (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring our other renewable projects as upcoming project milestones related to permitting and obtaining interconnection rights are expected to occur. Preliminary findings from the DOC Investigation were released in December 2022, with a final decision expected in May 2023. The resolution of these issues, including the final conclusion of the DOC Investigation will determine which, if any, of our solar projects will be subject to any tariffs imposed.

[Table of Contents](#)

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 \$1.5 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 20, 2022 we entered into a \$1.0 billion term credit agreement that matures on December 19, 2023. On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs. On November 7, 2022, we announced that we intend to pursue the sale of a minority interest in our NIPSCO business unit. We maintain an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of \$750.0 million through December 31, 2023. As of March 31, 2023, the ATM program had approximately \$300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred Stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on our ATM program and Equity Units.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2023 and beyond.

The following table summarizes our cash flow activities:

<i>(in millions)</i>	Three Months Ended March 31,		
	2023	2022	Change in 2023 vs 2022
Cash from (used for):			
Operating Activities	\$ 683.4	\$ 579.8	\$ 103.6
Investing Activities	(727.8)	(370.4)	(357.4)
Financing Activities	117.3	(173.9)	291.2

Operating Activities

The increase in cash from operating activities was primarily driven by year over year change in accounts receivable collections and decreased cash outflows related to inventory balances due to lower gas costs. This was partially offset by increased purchases from gas suppliers, driven by lower gas costs.

Investing Activities

Our current year investing activities were comprised of increased capital expenditures related to system growth and reliability, payments to renewable generation asset developers related to Dunn's Bridge II and Cavalry Solar milestone payments, as well as the property insurance settlement related to the Greater Lawrence Incident received in the prior year.

As we evaluate adjustments to renewable generation project timing, we remain on track to make capital investments totaling \$3.3 billion to \$3.6 billion during the 2023 period. We also expect to invest approximately \$15.0 billion during the 2023-2027 period, including capital investments to support our generation transition strategy. These forecasted capital investments and those included in our Annual Report on Form 10-K for the year ended December 31, 2022, are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

[Table of Contents](#)

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

NiSource Inc.

Regulatory Capital Programs. We replace pipe and modernize our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2023, 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 as well as other federally mandated compliance investments currently in rates or pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered ⁽¹⁾	Rates Effective
Columbia of Ohio	IRP - 2023	\$ 38.4	\$ 316.3	1/22-12/22	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe.	May 2023
Columbia of Ohio	CEP - 2023	\$ 31.0	\$ 265.6	1/22-12/22	Assets not included in the IRP.	September 2023
NIPSCO - Gas ⁽²⁾	TDSIC 4	\$ 3.1	\$ 77.5	7/21-12/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	July 2022
NIPSCO - Gas	TDSIC 6	\$ (2.5)	\$ 149.8	1/22-2/23	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	September 2023
NIPSCO - Gas ⁽²⁾⁽³⁾	FMCA 1	\$ 1.5	\$ 14.1	10/21-3/22	Project costs to comply with federal mandates.	October 2022
NIPSCO - Gas ⁽²⁾⁽³⁾	FMCA 2	\$ 4.2	\$ 38.2	4/22-9/22	Project costs to comply with federal mandates.	April 2023
Columbia of Virginia ⁽⁴⁾	SAVE - 2023	\$ 4.5	\$ 45.9	1/23-12/23	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2023
Columbia of Kentucky	SMRP - 2023	\$ 1.6	\$ 41.6	1/23-12/23	Replacement of mains and inclusion of system safety investments.	January 2023
Columbia of Maryland	STRIDE - 2023	\$ 1.3	\$ 18.0	1/23-12/23	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2023
NIPSCO - Electric	TDSIC - 1	\$ 10.4	\$ 148.5	6/21-1/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2022
NIPSCO - Electric	TDSIC - 2	\$ 6.6	\$ 143.5	2/22-7/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	February 2023
NIPSCO - Electric ⁽⁵⁾	TDSIC - 3	\$ 45.6	\$ 130.2	8/22-1/23	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2023

⁽¹⁾Programs do not include any costs already included in base rates.

⁽²⁾On March 1, 2023, incremental tracker revenue was updated as certain investments are now being recovered through base rates.

⁽³⁾NIPSCO received approval for a new certificate of public convenience and necessity on December 28, 2022 for an additional Pipeline Safety III Compliance Plan, including \$235.3M in capital and \$34.1M in operation and maintenance expense project investments.

⁽⁴⁾Columbia of Virginia received a final order on November 1, 2022 modifying the SAVE filing incremental revenue and investments.

⁽⁵⁾NIPSCO Electric TDSIC-3 is for a 14-month billing period in anticipation of a rate case order in August 2023 and a subsequent 9 month hold-out period.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated \$40.0 million of federally mandated retirement costs. On November 2, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of R.M. Schahfer Generation Station's multi-cell unit. The project includes a total estimated \$53.0 million of federally mandated retirement costs. Due to the Settlement filed on March 10, 2023, both FMCA cases have been stayed pending the outcome of NIPSCO's electric base rate case, which proposes these pond closure costs be recovered through base rates, rather than the FMCA Tracker. Refer to Note 15, "Other Commitments and Contingencies - C. Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

Columbia of Ohio filed an application on February 28, 2023, to establish a new PHMSA IRP Rider in order to recover costs incurred to comply with the PHMSA regulations. As proposed, the rider would provide for cost deferrals and carrying costs during the investment period, with rates effective in May 2024. It is anticipated that the PUCO will rule on this application in 2023.

[Table of Contents](#)

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

NiSource Inc.

Financing Activities

Common Stock, Preferred Stock and Equity Units. Refer to Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock and equity units activity.

Long-Term Debt. Refer to Note 13, "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 14, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

Noncontrolling Interest. Refer to Note 12, "Variable Interest Entities," 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, 2023 and December 31, 2022:

<i>(in millions)</i>	March 31, 2023	December 31, 2022
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	635.5	447.2
<i>Less:</i>		
Commercial Paper	—	415.0
Accounts Receivable Programs Utilized	281.8	347.2
Letters of Credit Outstanding Under Credit Facility	10.2	10.2
<i>Add:</i>		
Cash and Cash Equivalents	106.4	40.8
Net Available Liquidity	\$ 2,299.9	\$ 1,565.6

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

Debt Covenants. We are subject to financial covenants 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, 2023, the ratio was 59.1%.

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, 2023. 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, 2023, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$80.8 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.

[Table of Contents](#)

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

NiSource Inc.

Equity. Our authorized capital stock consists of 620,000,000 shares, \$0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of March 31, 2023, 412,982,639 shares of common stock and 1,302,500 shares of preferred 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, 2022. Except for our March 2023 debt issuance, there were no additional material changes from year-end during the three months ended March 31, 2023. Refer to Note 13, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuance.

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 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.

[Table of Contents](#)

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 Gas Distribution 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 Gas Distribution 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 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. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric 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 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 will continue efforts to design rates that increase the certainty of recovery of fixed costs.

[Table of Contents](#)

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	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Currently Approved in Current or Future Rates							
Columbia of Pennsylvania ⁽¹⁾	10.95 %	None specified	\$ 82.2	\$ 44.5	March 18, 2022	Approved December 8, 2022	December 2022
Columbia of Maryland	10.85 %	9.65 %	\$ 5.8	\$ 3.5	May 13, 2022	Approved November 17, 2022	December 2022
Columbia of Kentucky ⁽²⁾	10.30 %	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	Approved December 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	10.95 %	None specified	\$ 14.2	\$ 1.3	August 28, 2018	Approved June 12, 2019	February 2019
Columbia of Ohio	10.95 %	9.60 %	\$ 221.4	\$ 68.3	June 30, 2021	Approved January 26, 2023	March 2023
NIPSCO - Gas ⁽⁴⁾	10.50 %	9.85 %	\$ 109.7	\$ 71.8	September 29, 2021	Approved July 27, 2022	September 2022
NIPSCO - Electric	10.80 %	9.75 %	\$ 21.4	(\$ 53.5)	October 31, 2018	Approved December 4, 2019	January 2020
Active Rate Cases							
Columbia of Virginia ⁽⁵⁾	10.75 %	In process	\$ 40.6	In process	April 29, 2022	Order Expected Q2 2023	Interim Rates October 2022
NIPSCO - Electric ⁽⁶⁾	10.40 %	In process	\$ 291.8	In process	September 19, 2022	Order Expected Q3 2023	September 2023

⁽¹⁾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.

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

⁽³⁾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 filings.

⁽⁴⁾New rates are 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.

⁽⁵⁾Beginning October 2022, interim rates are being billed subject to refund, pending a final commission order. On December 9, 2022, a Stipulation and Proposed Recommendation was filed with the Virginia State Corporation Commission recommending approval of \$25.8 million of incremental revenue.

⁽⁶⁾If the pending settlement is approved, new rates will be implemented in 2 steps, with implementation of Step 1 rates to be effective in September 2023 and Step 2 rates to be effective in March 2024. In addition to the requested incremental revenue of \$291.8 million, an additional request was made for \$103.2 million for costs associated with a new Variable Cost Tracker (VCT) bringing the total requested incremental revenue to \$395.0 million. A settlement agreement was filed on March 10, 2023, with supporting testimony filed on March 17, 2023, reflecting incremental revenue of \$261.9 million plus an additional \$29.9 million for recovery of costs associated with a new Environmental Cost Tracker (replacing the VCT). The evidentiary hearing occurred in April 2023 with an anticipated final order August 2023.

PHMSA Regulations

On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law, reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA 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. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement and utilize advanced leak detection and repair technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment. Natural gas companies, including NiSource and our subsidiaries, may see increased costs depending on how PHMSA implements the new mandates resulting from the PIPES Act.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

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. Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows.

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, signed into law in November 2021; the IRA, signed into law in August 2022; and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the Infrastructure Investment and Jobs Act 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 over the next five years. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

In February 2021, the United States rejoined 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. Subsequently, the Biden Administration released 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 pathways to reach these goals.

On June 30, 2022, the Supreme Court of the United States ruled for the petitioners in *West Virginia v. EPA*, which examined the authority of the EPA to regulate GHG emissions from the power sector. We will continue to evaluate this matter, but we remain committed to our previously stated carbon reduction goals.

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, 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 is required to adopt a plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the 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 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. Columbia of Maryland will continue to monitor this matter, but we cannot predict its final impact on our business at this time.

NIPSCO, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows 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. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. After reaching settlement with other parties in September 2022, NIPSCO

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

agreed to add a third tier to offset 25% of customer usage. Columbia of Maryland's filing was denied by the PUC in January 2023. The filings for Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky are still being evaluated. Additionally, NIPSCO 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 response to these transition risks and opportunities, on November 7, 2022, we announced a goal of net-zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 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 percent from 2005 levels by 2025 and reducing Scope 1 greenhouse gas emissions from company-wide operations by 90 percent 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- or zero-emission energy resources and technologies, such as hydrogen, renewable natural gas, 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 2022, we had reduced Scope 1 GHG emissions by approximately 67% 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.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans. Additionally, as discussed above in this Management's Discussion within "Liquidity and Capital Resources - Regulatory Capital Programs," our natural gas distribution companies are lowering methane emissions by replacing aging infrastructure, which also increases safety and reliability for customers and communities.

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 Operations 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.

[Table of Contents](#)

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

NiSource Inc.

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 8, "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, 2023 and December 31, 2022.

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, term credit agreement 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 \$4.5 million and \$1.5 million for the three months ended March 31, 2023 and 2022, 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.

Refer to Note 8, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of March 31, 2023 and December 31, 2022.

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.

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, 2022. There were no material changes made as of March 31, 2023.

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.

[Table of Contents](#)

NiSource Inc.

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.

[Table of Contents](#)

NiSource Inc.

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, 2022. 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

None.

[Table of Contents](#)

ITEM 6. EXHIBITS

NiSource Inc.

- (4.1) Form of 5.250% Notes due 2028 (incorporated by reference to [Exhibit 4.1 to the NiSource Inc. Form 8-K](#) filed on March 24, 2023).
 - (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.

[Table of Contents](#)

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 3, 2023

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 31.1

**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 for the quarter ended March 31, 2023;
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(s) 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 3, 2023

By:

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Exhibit 31.2

**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, 2023;
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(s) 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 3, 2023

By:

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

Exhibit 32.1

**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, 2023 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 results of operations of the Company.

/s/ Lloyd M. Yates

Lloyd M. Yates
President and Chief Executive Officer

Date: May 3, 2023

Exhibit 32.2

**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, 2023 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 results of operations of the Company.

/s/ Shawn Anderson

Shawn Anderson
Executive Vice President and Chief Financial Officer

Date: May 3, 2023

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 June 30, 2023

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 Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	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: 413,254,798 shares outstanding at July 25, 2023.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED JUNE 30, 2023

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I</u>	
<u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	15
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	36
Item 3. Quantitative and Qualitative Disclosures About Market Risk	58
Item 4. Controls and Procedures	58
<u>PART II</u>	
<u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	59
Item 1A. Risk Factors	59
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	59
Item 3. Defaults Upon Senior Securities	59
Item 4. Mine Safety Disclosures	59
Item 5. Other Information	59
Item 6. Exhibits	60
Signature	61

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 Massachusetts	Bay State Gas Company
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
Dunn's Bridge I	Dunn's Bridge I Solar Generation LLC and its wholly owned subsidiary, Dunn's Bridge Solar Center, LLC

Abbreviations and Other

AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	At-the-market
BIP	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)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019 and its variants, including the Delta and Omicron variants, and any other variant that may emerge
DPU	Department of Public Utilities
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
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FMCA	Federally Mandated Cost Adjustment
GAAP	Generally Accepted Accounting Principles

DEFINED TERMS

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
LIBOR	London InterBank Offered Rate
LIFO	Last In, First Out
LIHEAP	Low Income Heating Energy Assistance Programs
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NYMEX	New York Mercantile Exchange
OPEB	Other Postemployment Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PUCO	Public Utilities Commission of Ohio
RNG	Renewable Natural Gas
ROU	Right of use
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
Section 201 Tariffs	Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026
SMRP	Safety Modification and Replacement Program
SMS	Safety Management System
SOFR	Secured Overnight Financing Rate
STRIDE	Strategic Infrastructure Development Enhancement
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

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 regarding the ability to complete the NIPSCO Minority Equity Interest Sale (as defined below) on the anticipated timeline or at all; statements regarding the anticipated benefits of the NIPSCO Minority Equity Interest Sale if completed;

statements regarding the projected impact of the NIPSCO Minority Equity Interest Sales on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the NIPSCO Minority Equity Interest Sale; 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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the NIPSCO Minority Equity Interest Sale; the ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale, including the ability to obtain FERC approval necessary to complete the NIPSCO Minority Equity Interest Sale; the ability to achieve the anticipated benefits of the NIPSCO Minority Equity Interest Sale; the effects of transaction costs; the effects of the NIPSCO Minority Equity Interest Sale on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the NIPSCO Minority Equity Interest Sale, including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues; 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023, many 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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	12
Notes to Condensed Consolidated Financial Statements (unaudited)	15
1. Basis of Accounting Presentation	15
2. Recent Accounting Pronouncements	15
3. Revenue Recognition	15
4. Earnings Per Share	19
5. Equity	21
6. Gas in Storage	23
7. Regulatory Matters	23
8. Risk Management Activities	23
9. Fair Value	25
10. Goodwill	28
11. Income Taxes	28
12. Pension and Other Postretirement Benefits	28
13. Variable Interest Entities	29
14. Long-Term Debt	30
15. Short-Term Borrowings	30
16. Other Commitments and Contingencies	31
17. Accumulated Other Comprehensive Loss	34
18. Other, Net	35
19. Business Segment Information	35

[Table of Contents](#)

PART I

ITEM 1. FINANCIAL STATEMENTS

**NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)**

(in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating Revenues				
Customer revenues	\$ 1,067.2	\$ 1,156.5	\$ 2,963.3	\$ 2,996.8
Other revenues	22.8	26.7	92.7	59.7
Total Operating Revenues	1,090.0	1,183.2	3,056.0	3,056.5
Operating Expenses				
Cost of energy	251.9	383.7	1,017.0	1,090.4
Operation and maintenance	369.5	381.9	760.7	776.2
Depreciation and amortization	233.1	208.7	440.0	401.4
Gain on sale of assets, net	(0.3)	—	(0.3)	(105.0)
Other taxes	66.9	65.6	138.7	149.9
Total Operating Expenses	921.1	1,039.9	2,356.1	2,312.9
Operating Income	168.9	143.3	699.9	743.6
Other Income (Deductions)				
Interest expense, net	(110.5)	(84.5)	(219.4)	(168.2)
Other, net	2.0	9.0	3.5	19.9
Total Other Deductions, Net	(108.5)	(75.5)	(215.9)	(148.3)
Income before Income Taxes	60.4	67.8	484.0	595.3
Income Taxes	14.1	12.0	99.9	108.2
Net Income	46.3	55.8	384.1	487.1
Net loss attributable to noncontrolling interest	(12.5)	(11.2)	(7.7)	(6.7)
Net Income Attributable to NiSource	58.8	67.0	391.8	493.8
Preferred dividends	(12.7)	(13.8)	(26.5)	(27.6)
Preferred redemption premium	(6.2)	—	(6.2)	—
Net Income Available to Common Shareholders	39.9	53.2	359.1	466.2
Earnings Per Share				
Basic Earnings Per Share	\$ 0.10	\$ 0.13	\$ 0.87	\$ 1.15
Diluted Earnings Per Share	\$ 0.09	\$ 0.12	\$ 0.80	\$ 1.06
Basic Average Common Shares Outstanding	413.3	406.4	413.1	406.2
Diluted Average Common Shares	446.8	440.2	446.9	440.8

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

<i>(in millions, net of taxes)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net Income	\$ 46.3	\$ 55.8	\$ 384.1	\$ 487.1
Other comprehensive income:				
Net unrealized gain (loss) on available-for-sale debt securities ⁽¹⁾	(1.2)	(3.9)	0.8	(9.6)
Reclassification adjustment for cash flow hedges ⁽²⁾	(0.2)	56.0	(0.1)	103.0
Unrecognized pension and OPEB benefit (costs) ⁽³⁾	0.3	(2.5)	0.6	(2.4)
Total other comprehensive income (loss)	(1.1)	49.6	1.3	91.0
Comprehensive Income	\$ 45.2	\$ 105.4	\$ 385.4	\$ 578.1

⁽¹⁾Net unrealized gain (loss) on available-for-sale debt securities, net of \$0.3 million tax benefit and \$1.1 million tax benefit in the second quarter of 2023 and 2022, respectively, and \$0.2 million of tax expense and \$2.6 million tax benefit for the six months ended 2023 and 2022, respectively.

⁽²⁾Reclassification adjustment for cash flow hedges, net of \$0.0 million tax expense and \$12.8 million tax expense in the second quarter of 2023 and 2022, respectively, and \$0.1 million of tax benefit and \$34.1 million tax expense for the six months ended 2023 and 2022, respectively.

⁽³⁾Unrecognized pension and OPEB benefit (costs), net of \$0.1 million of tax expense and \$0.8 million tax benefit in the second quarter of 2023 and 2022, respectively, and \$0.2 million of tax expense and \$0.8 million tax benefit for the six months ended 2023 and 2022, respectively.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

<i>(in millions)</i>	June 30, 2023	December 31, 2022
ASSETS		
Property, Plant and Equipment		
Plant	\$ 29,135.4	\$ 27,551.3
Accumulated depreciation and amortization	(7,960.2)	(7,708.7)
Net Property, Plant and Equipment ⁽¹⁾	21,175.2	19,842.6
Investments and Other Assets		
Unconsolidated affiliates	3.8	1.6
Available-for-sale debt securities (amortized cost of \$168.8 and \$166.7, allowance for credit losses of \$0.7 and \$0.9, respectively)	154.9	151.6
Other investments	78.5	71.0
Total Investments and Other Assets	237.2	224.2
Current Assets		
Cash and cash equivalents	151.3	40.8
Restricted cash	39.8	34.6
Accounts receivable	631.4	1,065.8
Allowance for credit losses	(27.8)	(23.9)
Accounts receivable, net	603.6	1,041.9
Gas inventory	214.3	531.7
Materials and supplies, at average cost	180.1	151.4
Electric production fuel, at average cost	68.3	68.8
Exchange gas receivable	43.1	128.1
Regulatory assets	200.3	233.2
Deposits to renewable generation asset developer	137.4	143.8
Prepayments and other	218.7	210.0
Total Current Assets ⁽¹⁾	1,856.9	2,584.3
Other Assets		
Regulatory assets	2,300.2	2,347.6
Goodwill	1,485.9	1,485.9
Deferred charges and other	288.3	252.0
Total Other Assets	4,074.4	4,085.5
Total Assets	\$ 27,343.7	\$ 26,736.6

⁽¹⁾Includes \$1,349.7 million and \$978.5 million at June 30, 2023 and December 31, 2022, respectively, of net property, plant and equipment assets and \$160.4 million and \$25.7 million at June 30, 2023 and December 31, 2022, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 13, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

Condensed Consolidated Balance Sheets (unaudited) (continued)

<i>(in millions, except share amounts)</i>	June 30, 2023	December 31, 2022
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - \$0.01 par value, 600,000,000 shares authorized; 413,148,513 and 412,142,602 shares outstanding, respectively	\$ 4.2	\$ 4.2
Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 902,500 and 1,302,500 shares outstanding, respectively	1,152.6	1,546.5
Treasury stock	(99.9)	(99.9)
Additional paid-in capital	7,383.1	7,375.3
Retained deficit	(1,173.8)	(1,213.6)
Accumulated other comprehensive loss	(35.8)	(37.1)
Total NiSource Stockholders' Equity	7,230.4	7,575.4
Noncontrolling interest in consolidated subsidiaries	341.0	326.4
Total Equity	7,571.4	7,901.8
Long-term debt, excluding amounts due within one year	11,002.8	9,523.6
Total Capitalization	18,574.2	17,425.4
Current Liabilities		
Current portion of long-term debt	29.4	30.0
Short-term borrowings	1,589.9	1,761.9
Accounts payable	718.4	899.5
Dividends payable - common stock	103.4	—
Dividends payable - preferred stock	8.2	—
Customer deposits and credits	207.6	324.7
Taxes accrued	208.7	246.2
Interest accrued	125.0	138.4
Exchange gas payable	33.0	147.6
Regulatory liabilities	362.0	236.8
Asset retirement obligations	50.7	35.5
Accrued compensation and employee benefits	151.7	167.5
Obligations to renewable generation asset developer	—	347.2
Other accruals	503.2	325.2
Total Current Liabilities ⁽¹⁾	4,091.2	4,660.5
Other Liabilities		
Deferred income taxes	1,986.0	1,854.5
Accrued liability for postretirement and postemployment benefits	237.0	245.5
Regulatory liabilities	1,679.8	1,775.8
Asset retirement obligations	480.9	478.1
Other noncurrent liabilities and deferred credits	294.6	296.8
Total Other Liabilities ⁽¹⁾	4,678.3	4,650.7
Commitments and Contingencies (Refer to Note 16, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 27,343.7	\$ 26,736.6

⁽¹⁾Includes \$344.5 million and \$128.2 million at June 30, 2023 and December 31, 2022, respectively, of current liabilities and \$54.4 million and \$30.6 million at June 30, 2023 and December 31, 2022, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 13, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Six Months Ended June 30, (in millions)	2023	2022
Operating Activities		
Net Income	\$ 384.1	\$ 487.1
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	440.0	401.4
Deferred income taxes and investment tax credits	93.0	100.8
Gain on sale of assets	(0.3)	(105.0)
Other adjustments	6.6	14.1
Changes in Assets and Liabilities:		
Components of working capital	300.6	2.4
Regulatory assets/liabilities	12.6	(8.2)
Deferred charges and other noncurrent assets	(18.4)	(16.1)
Other noncurrent liabilities and deferred credits	(27.2)	30.7
Net Cash Flows from Operating Activities	1,191.0	907.2
Investing Activities		
Capital expenditures	(1,161.9)	(917.0)
Insurance recoveries	—	105.0
Payment to renewable generation asset developer	(137.4)	(79.0)
Other investing activities	(76.3)	(60.1)
Net Cash Flows used for Investing Activities	(1,375.6)	(951.1)
Financing Activities		
Proceeds from Issuance of long-term debt	1,488.7	345.6
Repayments of finance lease obligations	(16.1)	(34.7)
Change in short-term borrowings, net (maturity ≤ 90 days)	(172.2)	(5.0)
Issuance of common stock, net of issuance costs	6.3	5.9
Redemption of preferred stock	(393.9)	—
Preferred stock redemption premium	(6.2)	—
Equity costs, grant withholdings and debt related costs	(16.7)	(9.1)
Contributions from noncontrolling interest	35.0	—
Distributions to noncontrolling interest	(10.0)	(3.0)
Dividends paid - common stock	(206.6)	(190.6)
Dividends paid - preferred stock	(27.6)	(27.6)
Contract liability payment	(33.2)	(33.0)
Payment of obligation to renewable generation asset developer	(347.2)	—
Net Cash Flows from Financing Activities	300.3	48.5
Change in cash, cash equivalents and restricted cash	115.7	4.6
Cash, cash equivalents and restricted cash at beginning of period	75.4	94.9
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 191.1	\$ 99.5

Reconciliation to Balance Sheet

Six Months Ended June 30, (in millions)	2023
Cash and cash equivalents	151.3
Restricted Cash	39.8
Total Cash, Cash Equivalents and Restricted Cash	191.1

Supplemental Disclosures of Cash Flow Information

Six Months Ended June 30, (in millions)	2023	2022
Non-cash transactions:		
Capital expenditures included in current liabilities	\$ 410.2	\$ 252.6
Dividends declared but not paid	111.6	103.6
Purchase contract liability ⁽¹⁾	32.6	97.3

⁽¹⁾ Refer to Note 5, "Equity," for additional information

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries ⁽²⁾	Total
Balance as of April 1, 2023	\$ 4.2	\$ 1,546.5	\$ (99.9)	\$ 7,372.9	\$ (1,114.8)	\$ (34.7)	\$ 329.5	\$ 8,003.7
Comprehensive Income:								
Net income (loss)	—	—	—	—	58.8	—	(12.5)	46.3
Other comprehensive income, net of tax	—	—	—	—	—	(1.1)	—	(1.1)
Dividends:								
Common stock (\$0.25 per share)	—	—	—	—	(103.4)	—	—	(103.4)
Preferred stock (See Note 5)	—	—	—	—	(8.2)	—	—	(8.2)
Preferred stock redemption	—	(393.9)	—	—	—	—	—	(393.9)
Preferred stock redemption premium	—	—	—	—	(6.2)	—	—	(6.2)
Contributions from noncontrolling interest	—	—	—	—	—	—	28.7	28.7
Distributions to noncontrolling interests	—	—	—	—	—	—	(4.7)	(4.7)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.5	—	—	—	1.5
Long-term incentive plan	—	—	—	6.2	—	—	—	6.2
401(k) and profit sharing	—	—	—	2.5	—	—	—	2.5
Balance as of June 30, 2023	\$ 4.2	\$ 1,152.6	\$ (99.9)	\$ 7,383.1	\$ (1,173.8)	\$ (35.8)	\$ 341.0	\$ 7,571.4

⁽¹⁾ See Note 5, "Equity," for additional information.

⁽²⁾ Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the mechanical completion closing of Dunn's Bridge I of \$2.7 million

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries ⁽²⁾	Total
Balance as of January 1, 2023	\$ 4.2	\$ 1,546.5	\$ (99.9)	\$ 7,375.3	\$ (1,213.6)	\$ (37.1)	\$ 326.4	\$ 7,901.8
Comprehensive Income:								
Net income (loss)	—	—	—	—	391.8	—	(7.7)	384.1
Other comprehensive income, net of tax	—	—	—	—	—	1.3	—	1.3
Dividends:								
Common stock (\$0.75 per share)	—	—	—	—	(310.1)	—	—	(310.1)
Preferred stock (See Note 5)	—	—	—	—	(35.7)	—	—	(35.7)
Preferred stock redemption	—	(393.9)	—	—	—	—	—	(393.9)
Preferred stock redemption premium	—	—	—	—	(6.2)	—	—	(6.2)
Contributions from noncontrolling interest	—	—	—	—	—	—	32.3	32.3
Distributions to noncontrolling interests	—	—	—	—	—	—	(10.0)	(10.0)
Stock issuances:								
Employee stock purchase plan	—	—	—	2.8	—	—	—	2.8
Long-term incentive plan	—	—	—	(0.1)	—	—	—	(0.1)
401(k) and profit sharing	—	—	—	5.1	—	—	—	5.1
Balance as of June 30, 2023	\$ 4.2	\$ 1,152.6	\$ (99.9)	\$ 7,383.1	\$ (1,173.8)	\$ (35.8)	\$ 341.0	\$ 7,571.4

⁽¹⁾ See Note 5, "Equity," for additional information.

⁽²⁾ Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the mechanical completion closing of Dunn's Bridge I of \$2.7 million

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of April 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,208.9	\$ (1,372.3)	\$ (85.4)	\$ 329.5	\$ 7,531.4
Comprehensive Income:								
Net income	—	—	—	—	67.0	—	(11.2)	55.8
Other comprehensive income, net of tax	—	—	—	—	—	49.6	—	49.6
Dividends:								
Common stock (\$0.24 per share)	—	—	—	—	(95.4)	—	—	(95.4)
Preferred stock (See Note 5)	—	—	—	—	(8.2)	—	—	(8.2)
Distributions to noncontrolling interest	—	—	—	—	—	—	(2.5)	(2.5)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	6.0	—	—	—	6.0
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
Balance as of June 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,218.6	\$ (1,408.9)	\$ (35.8)	\$ 315.8	\$ 7,540.4

⁽¹⁾See Note 5, "Equity," for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,204.3	\$ (1,580.9)	\$ (126.8)	\$ 325.6	\$ 7,272.9
Comprehensive Income:								
Net income	—	—	—	—	493.8	—	(6.7)	487.1
Other comprehensive income, net of tax	—	—	—	—	—	91.0	—	91.0
Dividends:								
Common stock (\$0.71 per share)	—	—	—	—	(286.1)	—	—	(286.1)
Preferred stock (See Note 5)	—	—	—	—	(35.7)	—	—	(35.7)
Distributions to noncontrolling interest	—	—	—	—	—	—	(3.1)	(3.1)
Stock issuances:								
Employee stock purchase plan	—	—	—	2.5	—	—	—	2.5
Long-term incentive plan	—	—	—	6.9	—	—	—	6.9
401(k) and profit sharing	—	—	—	4.9	—	—	—	4.9
Balance as of June 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,218.6	\$ (1,408.9)	\$ (35.8)	\$ 315.8	\$ 7,540.4

⁽¹⁾See Note 5, "Equity," for additional information.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of April 1, 2023	1,303	416,946	(3,963)	412,983
Issued:				
Employee stock purchase plan	—	53	—	53
Long-term incentive plan	—	26	—	26
401(k) and profit sharing	—	87	—	87
Redeemed:				
Preferred Stock	(400)	—	—	—
Balance as of June 30, 2023	903	417,112	(3,963)	413,149

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2023	1,303	416,106	(3,963)	412,143
Issued:				
Employee stock purchase plan	—	101	—	101
Long-term incentive plan	—	721	—	721
401(k) and profit sharing	—	184	—	184
Redeemed:				
Preferred Stock	(400)	—	—	—
Balance as of June 30, 2023	903	417,112	(3,963)	413,149

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of April 1, 2022	1,303	409,697	(3,963)	405,734
Issued:				
Employee stock purchase plan	—	39	—	39
Long-term incentive plan	—	28	—	28
401(k) and profit sharing	—	77	—	77
Balance as of June 30, 2022	1,303	409,841	(3,963)	405,878

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2022	1,303	409,266	(3,963)	405,303
Issued:				
Employee stock purchase plan	—	83	—	83
Long-term incentive plan	—	328	—	328
401(k) and profit sharing	—	164	—	164
Balance as of June 30, 2022	1,303	409,841	(3,963)	405,878

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

[Table of Contents](#)

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, 2022. 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 Adopted Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. These pronouncements provide temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. These pronouncements were effective upon issuance on March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, to extend the temporary accounting rules under Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. During 2022, the company applied a practical expedient under Topic 848 which allowed for the continuation of cash flow hedge accounting for interest rate derivative contracts upon the transition from LIBOR to alternative reference rates. The application of this expedient had no impact on the Condensed Consolidated Financial Statements (unaudited).

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties 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):

Three Months Ended June 30, 2023 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other	Total
Customer Revenues⁽¹⁾				
Residential	\$ 450.6	\$ 122.8	\$ —	\$ 573.4
Commercial	152.1	130.1	—	282.2
Industrial	51.1	112.6	—	163.7
Off-system	22.9	—	—	22.9
Miscellaneous	11.7	13.3	—	25.0
Total Customer Revenues	\$ 688.4	\$ 378.8	\$ —	\$ 1,067.2
Other Revenues	4.4	18.2	0.2	22.8
Total Operating Revenues	\$ 692.8	\$ 397.0	\$ 0.2	\$ 1,090.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Three Months Ended June 30, 2022 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other ⁽⁴⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 465.0	\$ 137.0	\$ —	\$ 602.0
Commercial	160.6	134.7	—	295.3
Industrial	48.1	138.7	—	186.8
Off-system	59.1	—	—	59.1
Miscellaneous	8.6	4.7	—	13.3
Total Customer Revenues	\$ 741.4	\$ 415.1	\$ —	\$ 1,156.5
Other Revenues	(0.3)	22.0	5.0	26.7
Total Operating Revenues	\$ 741.1	\$ 437.1	\$ 5.0	\$ 1,183.2

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

⁽⁴⁾Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Six months ended June 30, 2023 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,437.6	\$ 273.2	\$ —	\$ 1,710.8
Commercial	512.7	281.0	—	793.7
Industrial	123.0	246.8	—	369.8
Off-system	40.1	—	—	40.1
Miscellaneous	30.1	18.8	—	48.9
Total Customer Revenues	\$ 2,143.5	\$ 819.8	\$ —	\$ 2,963.3
Other Revenues	50.6	41.7	0.4	92.7
Total Operating Revenues	\$ 2,194.1	\$ 861.5	\$ 0.4	\$ 3,056.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

Six months ended June 30, 2022 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other ⁽⁴⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,441.9	\$ 275.5	\$ —	\$ 1,717.4
Commercial	517.1	269.2	—	786.3
Industrial	115.9	268.5	—	384.4
Off-system	77.8	—	—	77.8
Miscellaneous	22.6	8.3	—	30.9
Total Customer Revenues	\$ 2,175.3	\$ 821.5	\$ —	\$ 2,996.8
Other Revenues	2.5	45.7	11.5	59.7
Total Operating Revenues	\$ 2,177.8	\$ 867.2	\$ 11.5	\$ 3,056.5

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

⁽⁴⁾Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

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 six months ended June 30, 2023 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.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2022	\$ 560.5	\$ 453.0
Balance as of June 30, 2023	372.9	191.5

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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.

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 June 30, 2023 and December 31, 2022 are presented in the table below:

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2023	\$ 17.2	\$ 5.9	\$ 0.8	\$ 23.9
Current period provisions	16.8	3.2	—	20.0
Write-offs charged against allowance	(24.0)	(2.8)	—	(26.8)
Recoveries of amounts previously written off	10.4	0.3	—	10.7
Balance as of June 30, 2023	\$ 20.4	\$ 6.6	\$ 0.8	\$ 27.8

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2022	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5
Current period provisions	29.1	6.9	—	36.0
Write-offs charged against allowance	(52.1)	(5.3)	—	(57.4)
Recoveries of amounts previously written off	21.3	0.5	—	21.8
Balance as of December 31, 2022	\$ 17.2	\$ 5.9	\$ 0.8	\$ 23.9

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

4. 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 purposes of determining diluted EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three and six months ended June 30, 2023 and 2022 using the if-converted method under US GAAP. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the stock price falls below the initial reference price of \$24.51, subject to anti-dilution adjustments, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the stock price is above the initial reference price of \$24.51, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment is reflected in the calculation of diluted EPS for interest expense incurred for the three and six months ended June 30, 2023 and 2022 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which resulted in additional dilution from our Equity Units by requiring us to assume share settlement of the remaining purchase contract payment balance based on the average share price during the period.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of June 30, 2023 and 2022, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three and six months ended June 30, 2023 and 2022.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive.

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.

During 2022, we had no outstanding securities other than common and preferred stock, which required holders' participation in dividends and earnings; therefore, we were not required to calculate EPS under the two-class method. Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by giving effect to all potential shares of common stock, to the extent they are dilutive.

[Table of Contents](#)

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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<i>(in millions, except per share amounts)</i>				
Numerator:				
Net Income Available to Common Shareholders	\$ 39.9	\$ 53.2	\$ 359.1	\$ 466.2
Less: Income allocated to participating securities	—	—	0.2	—
Net Income Available to Common Shareholders - Basic	39.9	53.2	358.9	466.2
Add: Dilutive effect of Equity Units	0.4	0.5	0.8	1.0
Net Income Available to Common Shareholders - Diluted	\$ 40.3	\$ 53.7	\$ 359.7	\$ 467.2
Denominator:				
Average common shares outstanding - Basic	413.3	406.4	413.1	406.2
Dilutive potential common shares:				
Equity Units purchase contracts	31.3	27.9	31.2	28.5
Equity Units purchase contract payment balance	1.2	3.3	1.5	3.6
Shares contingently issuable under employee stock plans	0.6	1.0	0.7	1.0
Shares restricted under employee stock plans	0.4	0.4	0.4	0.4
ATM forward agreements	—	1.2	—	1.1
Average Common Shares - Diluted	446.8	440.2	446.9	440.8
Earnings per common share:				
Basic	\$ 0.10	\$ 0.13	\$ 0.87	\$ 1.15
Diluted	\$ 0.09	\$ 0.12	\$ 0.80	\$ 1.06

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

5. Equity

ATM Program. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$750.0 million of our common stock. As of June 30, 2023, the ATM program had approximately \$300.0 million of equity available for issuance. The program expires on December 31, 2023. There are no outstanding forward agreements as of June 30, 2023.

Preferred Stock. As of June 30, 2023, we had 20,000,000 shares of preferred stock authorized for issuance, of which 902,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

	Liquidation Preference Per Share	Shares	Three Months Ended June 30,		Six Months Ended June 30,		June 30, 2023	December 31, 2022
			2023	2022	2023	2022		
<i>(in millions except shares and per share amounts)</i>			Dividends Declared Per Share ⁽²⁾				Outstanding	
5.650% Series A	\$ 1,000.00	—	—	—	28.25	28.25	\$ —	\$ 393.9
6.500% Series B	\$ 25,000.00	20,000	406.25	406.25	1,218.75	1,218.75	\$ 486.1	\$ 486.1
Series C ⁽¹⁾	\$ 1,000.00	862,500	—	—	—	—	\$ 666.5	\$ 666.5

⁽¹⁾The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock

⁽²⁾Dividend declared per share for the six months ended June 30, 2023 reflects the dividend declared on our outstanding Series A Preferred Stock on March 14, 2023. The dividend was paid on June 15, 2023.

In addition, 20,000 shares of Series B-1 Preferred Stock, par value \$0.01 per share, were outstanding as of June 30, 2023. Holders of Series B-1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B-1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption, or repurchase of the underlying Series B Preferred Stock.

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. Following the redemption, dividends ceased to accrue on such shares of Series A Preferred Stock, the shares of Series A Preferred Stock are no longer deemed outstanding and all rights of the holders of the shares of Series A Preferred Stock were terminated. In conjunction with the redemption, we recorded a \$6.2 million preferred stock redemption premium, calculated as the difference between the carrying value on the redemption date of the Series A Preferred Stock and the total amount of consideration paid to redeem, which was recorded as a reduction to retained earnings as of June 30, 2023. Since we are obligated to issue common stock under the Equity Units purchase contracts by the end of 2023, we did not recognize an excise tax liability, under the IRA, in connection with this redemption.

In June 2023, 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 A Preferred Stock. As a result, the 400,000 shares that were previously designated as Series A 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.

As of June 30, 2023 and 2022, Series A Preferred Stock had \$0.0 and \$1.0 million of cumulative preferred dividends in arrears, or \$0.00 and \$2.51 per share. As of June 30, 2023 and 2022, Series B Preferred Stock had \$1.4 million of cumulative preferred dividends in arrears, or \$72.23 per share.

Equity Units. On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of Corporate Units, each with a stated amount of \$100. The offering generated net proceeds of \$835.5 million, after underwriting and issuance expenses. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Selected information about the Equity Units at the issuance date is presented below:

<i>(in millions except contract rate)</i>	Issuance Date	Units Issued	Total Net Proceeds ⁽¹⁾	Purchase Contract Annual Rate	Purchase Contract Liability
Equity Units	April 19, 2021	8.625 \$	835.5	7.75 % \$	168.8

⁽¹⁾Issuance costs of \$27.0 million were recorded on a relative fair value basis as a reduction to preferred stock of \$22.5 million and a reduction to the purchase contract liability of \$4.5 million.

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is \$100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred Stock were pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

The Series C Mandatory Convertible Preferred Stock is required to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We pay quarterly contract adjustment payments at the rate of 7.75% per year on the stated amount of \$100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments have been paid, we will not declare or pay any dividends on, or make any distributions on, or redeem, purchase or acquire, or make a liquidation payment with respect to, any shares of our capital stock; make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that rank on parity with, or junior to, the contract adjustment payments; or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the contract adjustment payments. As of June 30, 2023, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of June 30, 2023 and December 31, 2022 the purchase contract liability, net of issuance costs, was \$32.6 million and \$65.0 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of \$33.4 million were made during both six month periods ended June 30, 2023 and 2022.

The Series C Mandatory Convertible Preferred Stock and forward purchase contracts are legally detachable and separately exercisable, however, due to the economic linkage between the forward purchase contract and the Series C Mandatory Convertible Preferred Stock, we have concluded that the ability to separate the Corporate Units is non-substantive. Accordingly, we are accounting for the Corporate Units as a single unit of account. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock. This liability is included in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).

Refer to Note 4, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million. Had we settled the remaining purchase contract payment balance in shares at June 30, 2023, we would have issued approximately 1.2 million shares.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

6. 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 \$11.6 million and zero as of June 30, 2023 and December 31, 2022, respectively, for certain gas distribution companies recorded within "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).

7. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas agreed to change the depreciation methodology for its calculation of depreciation rates, which reduces depreciation expense and subsequent revenues and cash flows. An order was received on July 27, 2022 approving the rate case and rates were effective as of September 1, 2022. As part of the NIPSCO Electric pending electric base rate case and the Stipulation and Settlement Agreement filed on March 10, 2023 NIPSCO Electric agreed to change the depreciation methodology for its calculation of depreciation rates, which will reduce depreciation expense and subsequent revenues and cash flows if the stipulation is accepted. An order is expected in the electric rate case in August of 2023.

Columbia of Ohio regulatory filing update

Columbia of Ohio's base rate case was filed on June 30, 2021, requesting a net rate increase of approximately 21.3% or \$221.4 million increase in revenue per year. The case was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. On October 31, 2022, Columbia of Ohio filed a joint stipulation and recommendation with certain parties to settle the base rate case. On January 26, 2023, the PUCO modified and approved the joint stipulation and recommendation, and Columbia of Ohio placed rates into effect on March 1, 2023. Applications for Rehearing were filed by the three parties who opposed certain rate design and energy efficiency assistance components of the joint stipulation and recommendation, which was granted for further consideration by the PUCO on March 22, 2023.

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 expense" on the Condensed Statements of Consolidated Income (unaudited). NiSource recorded depreciation expense of \$13.7 million and \$9.3 million for the three and six months ended June 30, 2023, and \$9.6 million and \$6.7 million for the three and six months ended June 30, 2022. Refer to Note 13, "Variable Interest Entities," for additional information.

8. 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.

[Table of Contents](#)

ITEM I. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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

(in millions)	June 30, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current⁽¹⁾				
Derivatives not designated as hedging instruments	\$ 5.0	\$ 2.5	\$ 18.8	\$ 1.1
Total	\$ 5.0	\$ 2.5	\$ 18.8	\$ 1.1
Noncurrent⁽²⁾				
Derivatives not designated as hedging instruments	\$ 34.6	\$ 1.7	\$ 66.0	\$ 1.9
Total	\$ 34.6	\$ 1.7	\$ 66.0	\$ 1.9

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

⁽²⁾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 June 30, 2023. 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 \$35.4 million and \$81.8 million at June 30, 2023 and December 31, 2022, 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 quarterly GCA mechanism.

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, for us or 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 June 30, 2023 and December 31, 2022, we had 88.9 MMDth and 99.0 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 June 30, 2023, the remaining terms of these instruments range from one to four years.

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

(in millions)	June 30, 2023	December 31, 2022
Regulatory Assets		
Losses on commodity price risk programs	\$ 16.4	\$ 10.0
Regulatory Liabilities		
Gains on commodity price risk programs	40.5	90.0

Our derivative instruments measured at fair value as of June 30, 2023 and December 31, 2022 do not contain any credit-risk-related contingent features.

The net gain related to multiple of our 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 and six months ended June 30, 2023 and 2022 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Amortization will continue for 347 months. See Note 17, "Accumulated Other Comprehensive Loss," for additional information.

9. 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 June 30, 2023 and December 31, 2022:

Recurring Fair Value Measurements June 30, 2023 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2023
Assets				
Risk management assets	\$ —	\$ 39.6	\$ —	\$ 39.6
Available-for-sale debt securities	—	154.9	—	154.9
Total	\$ —	\$ 194.5	\$ —	\$ 194.5
Liabilities				
Risk management liabilities	\$ —	\$ 4.2	\$ —	\$ 4.2
Total	\$ —	\$ 4.2	\$ —	\$ 4.2

Recurring Fair Value Measurements December 31, 2022 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2022
Assets				
Risk management assets	\$ —	\$ 84.8	\$ —	\$ 84.8
Available-for-sale debt securities	—	151.6	—	151.6
Total	\$ —	\$ 236.4	\$ —	\$ 236.4
Liabilities				
Risk management liabilities	\$ —	\$ 3.0	\$ —	\$ 3.0
Total	\$ —	\$ 3.0	\$ —	\$ 3.0

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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.

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 June 30, 2023 and December 31, 2022, 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 has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its 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 8, "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 June 30, 2023 and December 31, 2022, we have \$0.7 million and \$0.9 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 June 30, 2023 and December 31, 2022 were:

June 30, 2023 <i>(in millions)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 70.1	\$ —	\$ (4.2)	\$ —	\$ 65.9
Corporate/Other debt securities	98.7	—	(9.0)	(0.7)	89.0
Total	\$ 168.8	\$ —	\$ (13.2)	\$ (0.7)	\$ 154.9

December 31, 2022 <i>(in millions)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 67.7	\$ —	\$ (4.5)	\$ —	\$ 63.2
Corporate/Other debt securities	99.0	—	(9.7)	(0.9)	88.4
Total	\$ 166.7	\$ —	\$ (14.2)	\$ (0.9)	\$ 151.6

⁽¹⁾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 \$59.9 million and \$83.7 million, respectively, at June 30, 2023.

⁽²⁾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 \$61.0 million and \$85.5 million, respectively, at December 31, 2022.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were immaterial for the three and six months ended June 30, 2023 and 2022.

At June 30, 2023, approximately \$12.9 million of U.S. Treasury debt securities and approximately \$3.6 million of Corporate/Other debt securities have maturities of less than a year.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including 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.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity," for additional information.

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 June 30, 2023, 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 Amount as of June 30, 2023	Estimated Fair Value as of June 30, 2023	Carrying Amount as of Dec. 31, 2022	Estimated Fair Value as of Dec. 31, 2022
Long-term debt (including current portion)	\$ 11,032.2	\$ 10,079.7	\$ 9,553.6	\$ 8,479.4

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

10. Goodwill

Substantially all of our goodwill relates to the excess of cost over the fair value of the net assets acquired in the Columbia acquisition on November 1, 2000. Our goodwill balance was \$1,485.9 million as of June 30, 2023 and December 31, 2022. All our goodwill has been allocated to our Gas Distribution Operations segment.

For our annual goodwill impairment analysis performed as of May 1, 2023, we performed a qualitative "step 0" assessment and determined that it was more likely than not that the estimated fair value of the reporting unit substantially exceeded the related carrying value of our reporting unit. For this test, we assessed various assumptions, events and circumstances that would have affected the estimated fair value of the reporting units as compared to their baseline May 1, 2020 "step 1" fair value measurement. There have been no impairments to the carrying value of our goodwill during the periods presented.

11. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2023 and 2022 applied to year-to-date pretax income, adjusted for tax expense associated with certain discrete items. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss. The effective tax rates for the three months ended June 30, 2023 and 2022 were 23.3% and 17.7%, respectively. The effective tax rates for the six months ended June 30, 2023 and 2022 were 20.6% and 18.2%, 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 increase in the three month effective tax rate of 5.6% in 2023 compared to 2022 is primarily attributed to increases in renewable partnership income, partially offset by increased amortization of excess deferred federal income tax liabilities, current year impacts of a state legislative change in a flow-through jurisdiction, and restricted stock unit excess benefit.

The increase in the six month effective tax rate of 2.4% in 2023 compared to 2022 is primarily attributed to increases in renewable partnership income, partially offset by increased amortization of excess deferred federal income tax liabilities, current year impacts of a state legislative change in a flow-through jurisdiction, and restricted stock unit excess benefit.

As of June 30, 2023, 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 11 to the Company's Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2022, for a discussion of these unrecognized tax benefits.

12. 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 six months ended June 30, 2023, we contributed \$2.0 million to our pension plans and \$11.2 million to our OPEB plans.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and six months ended June 30, 2023 and 2022:

Three Months Ended June 30, (in millions)	Pension Benefits		OPEB	
	2023	2022	2023	2022
Components of Net Periodic Benefit Cost⁽¹⁾				
Service cost	\$ 5.1	\$ 7.0	\$ 1.3	\$ 1.6
Interest cost	17.1	9.8	5.5	3.0
Expected return on assets	(23.6)	(22.8)	(3.8)	(4.0)
Amortization of prior service credit	—	—	(0.5)	(0.6)
Recognized actuarial loss	8.4	4.8	0.8	0.7
Settlement loss	0.1	6.3	—	—
Total Net Periodic Benefit Cost	\$ 7.1	\$ 5.1	\$ 3.3	\$ 0.7

⁽¹⁾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).

Six Months Ended June 30, (in millions)	Pension Benefits		OPEB	
	2023	2022	2023	2022
Components of Net Periodic Benefit Cost⁽¹⁾				
Service cost	\$ 10.2	\$ 14.1	\$ 2.6	\$ 3.2
Interest cost	34.2	19.2	10.9	6.0
Expected return on assets	(47.2)	(45.7)	(7.6)	(8.0)
Amortization of prior service credit	—	—	(1.0)	(1.2)
Recognized actuarial loss	16.8	9.3	1.6	1.4
Settlement loss	0.1	6.3	—	—
Total Net Periodic Benefit Cost	\$ 14.1	\$ 3.2	\$ 6.5	\$ 1.4

⁽¹⁾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).

13. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO owns and operates two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO also owns two solar facilities, Indiana Crossroads Solar and Dunn's Bridge I, which are both in service at June 2023, with a combined 465 MW of nameplate capacity. 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. For the two wind facilities, NIPSCO assumed an obligation to the developers of each facility, representing the remaining economic interest. NIPSCO resolved this obligation by acquiring the developers' economic interests in June 2023 for \$389.2 million. 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, through a PPA at established market rates, 100% of the electricity generated by our in-service 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.

[Table of Contents](#)

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>	June 30, 2023	December 31, 2022
Net Property, Plant and Equipment	\$ 1,349.7	\$ 978.5
Current assets	160.4	25.7
Total assets⁽¹⁾	1,510.1	1,004.2
Current liabilities	344.5	128.2
Asset retirement obligations	54.4	30.6
Total liabilities	\$ 398.9	\$ 158.8

⁽¹⁾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.

14. Long-Term Debt

On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs.

On June 8, 2023, we completed the issuance and sale of an additional \$300.0 million of 5.25% senior unsecured notes maturing in 2028 (the "2028 Notes"). The terms of the 2028 Notes, other than the issue date and the price to the public, are identical to the terms of, and constitute as a reopening of, our 5.25% senior unsecured notes due 2028 issued on March 24, 2023. On June 8, 2023, we also completed the issuance and sale of \$450.0 million of 5.40% senior unsecured notes maturing in 2033. These issuances resulted in approximately \$742.5 million of total net proceeds after discount and debt issuance costs. With the incremental issuance, we now have \$1.05 billion of 5.25% senior unsecured notes maturing in 2028.

15. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreement. 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 June 30, 2023 and December 31, 2022.

Commercial Paper Program. Our commercial paper program has a program limit of up to \$1.5 billion. We had \$590.0 million and \$415.0 million of commercial paper outstanding with weighted-average interest rates of 5.42% and 4.60% as of June 30, 2023 and December 31, 2022, 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 wholly owned and consolidated special purpose entities. The three agreements expire between August 2023 and May 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 June 30, 2023, the maximum amount of debt that could be borrowed related to our accounts receivable programs is \$372.0 million.

We had zero and \$347.2 million of short-term borrowings related to the securitization transactions as of June 30, 2023 and December 31, 2022, respectively.

For the six months ended June 30, 2023, \$347.2 million was recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. For the six months ended June 30, 2022, \$285.0 million was

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

recorded as cash flows from financing activities related to the change in short-term borrowings due to securitization transactions. Fees associated with the securitization transactions were \$0.7 million for the three months ended June 30, 2023 and 2022, and \$1.6 million and \$1.0 million for the six months ended June 30, 2023 and 2022, 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 Agreement. On December 20, 2022, we entered into a \$1.0 billion term credit agreement with a syndicate of banks. The agreement matures on December 19, 2023 and interest charged on the borrowings depends on the variable rate structure elected at the time of each borrowing. The available variable rate structures from which we can choose are defined in the agreement. Under the agreement, we borrowed \$1.0 billion on December 20, 2022 with an interest rate of SOFR plus 105 basis points. We had \$1.0 billion outstanding under this agreement with interest rates of 6.13% and 5.37% as of June 30, 2023 and December 31, 2022, respectively.

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

16. 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 June 30, 2023 and December 31, 2022, we had issued stand-by letters of credit of \$10.2 million for the benefit of third parties.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At June 30, 2023 and December 31, 2022, our guarantees for multiple BTAs totaled \$823.6 million and \$841.6 million, respectively. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- D. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings.

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. 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.

Private Actions. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover, and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident"). There continue to be asserted wrongful death and bodily injury claims as it relates to the Greater Lawrence Incident. We continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

FERC Investigation. In April 2022, NIPSCO was notified that the FERC Office of Enforcement ("OE") is conducting an investigation of an industrial customer for allegedly manipulating the MISO Demand Response ("DR") market. The customer and NIPSCO are cooperating with the investigation. As of June 30, 2023, it is probable that the OE will require the customer to repay certain DR revenues received from MISO, and will require NIPSCO to disgorge administrative fees and foregone margin charges that NIPSCO collected pursuant to its own IURC-approved tariff. The investigation remains ongoing. NIPSCO currently estimates the maximum amount of its disgorgement exposure to be \$7.7 million which will be returned to customers. As of June 30, NIPSCO expects to recover more than 50% of that amount.

Other Legal 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, none of which we believe to be individually material at this time.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

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 June 30, 2023 and December 31, 2022, we had recorded a liability of \$84.5 million and \$86.5 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 Gas Distribution Operations 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 completed an annual refresh of the model in the second quarter. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2023. Our total estimated liability related to the facilities subject to remediation was \$79.5 million and \$81.0 million at June 30, 2023 and December 31, 2022, 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 \$15.0 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.

CCRs. NIPSCO continues to meet the compliance requirements established by the EPA for the regulation of CCRs. The current CCR rule 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.

D. Other Matters.

Generation Transition. 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. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC and timely completion of construction. NIPSCO and the tax equity partner, where applicable, for each respective BTA, are obligated to make cash contributions to the

[Table of Contents](#)

ITEM I. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

JV that acquires the project at the date construction is substantially complete. Certain BTA agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones.

Proposed Sale of 19.9% Equity Interest in Northern Indiana Public Service Company LLC. On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II LLC, a Delaware limited liability company (“NIPSCO Holdings II”), entered into a purchase and sale agreement (the “BIP Purchase Agreement”) with BIP BLUE BUYER L.L.C., an affiliate of BIP. NIPSCO Holdings II is the 100% owner of all issued and outstanding membership interests of NIPSCO. NIPSCO Holdings II is a wholly-owned subsidiary of NIPSCO Holdings I LLC (“NIPSCO Holdings I”), which is a wholly-owned subsidiary of NiSource. Under the terms of the BIP Purchase Agreement, BIP will acquire newly issued membership interests of NIPSCO Holdings II which will represent a 19.9% ownership in NIPSCO Holdings II at closing, for a purchase price of \$2.150 billion in cash, subject to adjustment based on the timing of closing and the amount of NiSource capital contributions made prior to closing (the “NIPSCO Minority Equity Interest Sale”). At the closing of the NIPSCO Minority Equity Interest Sale, through their respective percentage ownership of NIPSCO Holdings II, NiSource will own an 80.1% controlling interest in NIPSCO, while BIP will own the remaining 19.9% non-controlling interest. The parties currently expect for the NIPSCO Minority Equity Interest Sale to close by the end of 2023. The closing of the NIPSCO Minority Equity Interest Sale is subject to the satisfaction of certain customary closing conditions described in the BIP Purchase Agreement, including receipt of authorization by FERC. NIPSCO and BIP filed a joint petition with FERC on June 26, 2023 seeking approval of the NIPSCO Minority Equity Interest Sale.

The BIP Purchase Agreement may be terminated: (i) by mutual written consent of the parties; (ii) by either party if the closing has not occurred on or before one year after the effective date of the BIP Purchase Agreement; (iii) by BIP or NiSource, as the case may be, prior to the closing upon certain material breaches or failures to perform any of the representations, warranties, covenants or agreements by the other party; or (iv) by either party prior to the closing in the event of a final and non-appealable law or order restraining, enjoining or otherwise prohibiting the closing in any competent jurisdiction.

The BIP Purchase Agreement prohibits NIPSCO and NIPSCO Holdings II from paying any dividends or similar distributions to NiSource prior to the closing of the NIPSCO Minority Equity Interest Sale.

Pursuant to the terms of the BIP Purchase Agreement, at closing of the NIPSCO Minority Equity Interest Sale, BIP, NIPSCO Holdings I, NIPSCO Holdings II and NiSource will enter into an Amended and Restated Limited Liability Company Operating Agreement (the “Holdings II LLC Agreement”). The Holdings II LLC Agreement, among other things, provides for ongoing governance, exit rights, additional capital contributions, distributions, and other arrangements for NIPSCO Holdings II from and after the closing of the NIPSCO Minority Equity Interest Sale. As part of the NIPSCO Minority Equity Interest Sale, BIP is committed to funding its pro rata share of ongoing capital requirements, which is supported by a \$250 million equity commitment letter. Upon the closing of the NIPSCO Minority Equity Interest Sale, the board of directors of NIPSCO Holdings II (the “Holdings II Board”) will consist of seven directors. The Holdings II LLC Agreement will allow BIP to appoint at least two directors to the Holdings II Board so long as BIP holds at least a 17.5% Percentage Interest (as defined in the Holdings II LLC Agreement). The Holdings II LLC Agreement also contains certain investor protections, including, among other things, requiring BIP approval for NIPSCO Holdings II to take certain major actions. In addition, the Holdings II LLC Agreement will contain certain transfer restrictions and other transfer rights and obligations applicable to both BIP and NiSource.

NiSource intends to use the proceeds from the purchase price and future capital contributions by BIP to support NIPSCO's capital expenditure plans for serving customers, reduce NiSource's debt and fund ongoing capital needs associated with the renewable generation transition.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued).

NiSource Inc.

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

17. 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 ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of April 1, 2023	\$ (9.2)	\$ (12.5)	\$ (13.0)	\$ (34.7)
Other comprehensive income (loss) before reclassifications	(1.4)	(0.3)	—	(1.7)
Amounts reclassified from accumulated other comprehensive loss	0.2	0.1	0.3	0.6
Net current-period other comprehensive income	(1.2)	(0.2)	0.3	(1.1)
Balance as of June 30, 2023	\$ (10.4)	\$ (12.7)	\$ (12.7)	\$ (35.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2023	\$ (11.2)	\$ (12.6)	\$ (13.3)	\$ (37.1)
Other comprehensive income (loss) before reclassifications	0.3	(0.3)	—	—
Amounts reclassified from accumulated other comprehensive loss	0.5	0.2	0.6	1.3
Net current-period other comprehensive income (loss)	0.8	(0.1)	0.6	1.3
Balance as of June 30, 2023	\$ (10.4)	\$ (12.7)	\$ (12.7)	\$ (35.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of April 1, 2022	\$ (3.6)	\$ (75.5)	\$ (6.3)	\$ (85.4)
Other comprehensive income (loss) before reclassifications	(3.9)	55.9	(3.3)	48.7
Amounts reclassified from accumulated other comprehensive loss	—	0.1	0.8	0.9
Net current-period other comprehensive income (loss)	(3.9)	56.0	(2.5)	49.6
Balance as of June 30, 2022	\$ (7.5)	\$ (19.5)	\$ (8.8)	\$ (35.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2022	\$ 2.1	\$ (122.5)	\$ (6.4)	\$ (126.8)
Other comprehensive income (loss) before reclassifications	(9.8)	102.9	(3.3)	89.8
Amounts reclassified from accumulated other comprehensive loss	0.2	0.1	0.9	1.2
Net current-period other comprehensive income (loss)	(9.6)	103.0	(2.4)	91.0
Balance as of June 30, 2022	\$ (7.5)	\$ (19.5)	\$ (8.8)	\$ (35.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

[Table of Contents](#)

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>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Interest income	\$ 1.8	\$ 0.6	\$ 3.6	\$ 1.5
AFUDC equity	4.4	4.0	9.2	7.0
Pension and other postretirement non-service benefit (cost)	(4.9)	4.7	(8.4)	12.3
Miscellaneous	0.7	(0.3)	(0.9)	(0.9)
Total Other, net	\$ 2.0	\$ 9.0	\$ 3.5	\$ 19.9

19. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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. We use operating income as our primary measurement for each of the reported segments and make 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.

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	\$ 692.8	\$ 741.1	\$ 2,194.1	\$ 2,177.8
Intersegment	3.1	3.2	6.2	6.3
Total	695.9	744.3	2,200.3	2,184.1
Electric Operations				
Unaffiliated	397.0	437.1	861.5	867.2
Intersegment	0.1	0.2	0.3	0.4
Total	397.1	437.3	861.8	867.6
Corporate and Other				
Unaffiliated	0.2	5.0	0.4	11.5
Intersegment	122.8	120.7	239.5	234.2
Total	123.0	125.7	239.9	245.7
Eliminations	(126.0)	(124.1)	(246.0)	(240.9)
Consolidated Operating Revenues	\$ 1,090.0	\$ 1,183.2	\$ 3,056.0	\$ 3,056.5
Operating Income (Loss)				
Gas Distribution Operations	\$ 115.4	\$ 80.6	\$ 562.3	\$ 591.4
Electric Operations	49.6	72.6	131.5	171.8
Corporate and Other	3.9	(9.9)	6.1	(19.6)
Consolidated Operating Income	\$ 168.9	\$ 143.3	\$ 699.9	\$ 743.6

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	37
Summary of Consolidated Financial Results	39
Results and Discussion of Segment Operations	40
Gas Distribution Operations	41
Electric Operations	44
Liquidity and Capital Resources	48
Regulatory, Environmental and Safety Matters	52
Market Risk Disclosures	56
Other Information	57

[Table of Contents](#)

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, 2022.

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: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for further discussion of our regulated utility 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 conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. 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. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Your Energy, Your Future: Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, initiated through our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, and we are continually adjusting to the dynamic renewable energy landscape. As of June 30, 2023, we have achieved in-service status for our first two solar BTAs. 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 1, 2023, the provisions of the IRA became effective. We are evaluating the impact of this legislation to our renewable projects with potential to drive increased value to customers as part of our expansion of renewable projects and generation transition strategy. We will analyze opportunities to leverage the IRA on a project-by-project basis in consideration of several factors, both quantitative and qualitative, to enable project success and ensure value for the customer and company. For additional information, see "Results and Discussion of Segment Operations - Electric 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 lays out a timeline to retire 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 natural gas peaking unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. The planned retirement of the two vintage gas peaking units 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. We are continuing to evaluate potential projects under the 2021 Plan given the responses to our Request for Proposal issued in August 2022.

NIPSCO Minority Equity Interest Sale: On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II, entered into the BIP Purchase Agreement with an affiliate of BIP, pursuant to which BIP will acquire an indirect 19.9 percent equity interest in NIPSCO. Refer to Note 16, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on this transaction.

[Table of Contents](#)

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

NiSource Inc.

Transformation: Our enterprise-wide transformation roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We have formally launched several initiatives that will enable us to streamline work and improve logistics company-wide. These efforts will 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 the initiatives under the Enterprise-wide Transformation Roadmap will prioritize safety and continue to optimize our long-term growth profile.

Economic Environment: We are monitoring risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of 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 delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion. Additionally, for more information on global availability of materials for our renewable projects, see "Results and Discussion of Segment Operations - Electric Operations - Electric Supply and Generation Transition."

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 appeal 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. To the extent we are unable to execute on our workforce planning initiatives and experience increased employee and contractor costs, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

After decreasing for the first three months of 2023, the market price of natural gas has stabilized at low levels with very little volatility. Changes in gas prices do not have a material impact on our results of operations. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and "Market Risk Disclosures."

Due to rising interest rates, we experienced higher interest expense for the three and six months periods ended June 30, 2023 compared to the same periods in 2022 associated with short-term borrowings. 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".

[Table of Contents](#)

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 and six months ended June 30, 2023 and 2022 are presented below:

<i>(in millions, except per share amounts)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 1,090.0	\$ 1,183.2	\$ (93.2)	\$ 3,056.0	\$ 3,056.5	\$ (0.5)
Operating Expenses						
Cost of energy	251.9	383.7	131.8	1,017.0	1,090.4	73.4
Other Operating Expenses	669.2	656.2	(13.0)	1,339.1	1,222.5	(116.6)
Total Operating Expenses	921.1	1,039.9	118.8	2,356.1	2,312.9	(43.2)
Operating Income	168.9	143.3	25.6	699.9	743.6	(43.7)
Total Other Deductions, Net	(108.5)	(75.5)	(33.0)	(215.9)	(148.3)	(67.6)
Income Taxes	14.1	12.0	(2.1)	99.9	108.2	8.3
Net Income	46.3	55.8	(9.5)	384.1	487.1	(103.0)
Net loss attributable to noncontrolling interest	(12.5)	(11.2)	1.3	(7.7)	(6.7)	1.0
Net Income Attributable to NiSource	58.8	67.0	(8.2)	391.8	493.8	(102.0)
Preferred dividends	(18.9)	(13.8)	(5.1)	(32.7)	(27.6)	(5.1)
Net Income Available to Common Shareholders	39.9	53.2	(13.3)	359.1	466.2	(107.1)
Earnings Per Share						
Basic Earnings Per Share	\$ 0.10	\$ 0.13	\$ (0.03)	\$ 0.87	\$ 1.15	\$ (0.28)
Diluted Earnings Per Share	\$ 0.09	\$ 0.12	\$ (0.03)	\$ 0.80	\$ 1.06	\$ (0.26)

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

The decrease in net income available to common shareholders during the three months ended June 30, 2023 was primarily due to decreased revenue related to weather and increased other deductions, partially offset by higher revenues from outcomes of gas base rate proceedings and regulatory capital programs.

The decrease in net income available to common shareholders during the six months ended June 30, 2023 was primarily due to an insurance settlement related to the Greater Lawrence Incident received in 2022 and increased other deductions.

The increase in preferred dividends during the three and six months ended June 30, 2023 was due primarily to the inclusion of \$6.2 million of preferred redemption premium, offset by a shortened dividend accrual period due to the early redemption of Series A Preferred Stock in the second quarter 2023. See Note 5, "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 Gas and Electric Operations in this Management's Discussion.

Other Deductions, net

The change in Other deductions, net for the three and six months ended June 30, 2023 compared to the same period in 2022 is primarily driven by higher long-term and short-term debt interest in 2023 and higher non-service pension costs. See Note 14, "Long-Term Debt," Note 15, "Short-Term Borrowings," and Note 12, "Pension and Other Postemployment Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 11, "Income Taxes," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

We continue to monitor risks related to the implementation of any final or proposed tax regulations related to the IRA.

On April 14, 2023, the IRS issued Revenue Procedure 2023-15 which provides a safe harbor method of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve linear property and non-linear natural

[Table of Contents](#)

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

NiSource Inc.

gas transmission and distribution property must be capitalized as improvements or are allowable as deductions. We continue to analyze the provisions of the safe harbor method of accounting which we expect to adopt.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three and six months ended June 30, 2023 and 2022 are presented below.

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 695.9	\$ 744.3	\$ (48.4)	\$ 2,200.3	\$ 2,184.1	\$ 16.2
Operating Expenses						
Cost of energy	148.3	253.4	105.1	751.0	842.5	91.5
Operation and maintenance	262.8	259.8	(3.0)	548.5	537.1	(11.4)
Depreciation and amortization	115.6	102.2	(13.4)	225.7	202.9	(22.8)
Gain on sale of fixed assets and impairments, net	—	—	—	—	(105.0)	(105.0)
Other taxes	53.8	48.3	(5.5)	112.8	115.2	2.4
Total Operating Expenses	580.5	663.7	83.2	1,638.0	1,592.7	(45.3)
Operating Income	\$ 115.4	\$ 80.6	\$ 34.8	\$ 562.3	\$ 591.4	\$ (29.1)
Revenues						
Residential	\$ 450.7	\$ 462.8	\$ (12.1)	\$ 1,476.0	\$ 1,440.4	\$ 35.6
Commercial	152.6	161.3	(8.7)	518.5	518.8	(0.3)
Industrial	51.2	48.3	2.9	123.2	116.4	6.8
Off-System	22.9	59.1	(36.2)	40.1	77.8	(37.7)
Other	18.5	12.8	5.7	42.5	30.7	11.8
Total	\$ 695.9	\$ 744.3	\$ (48.4)	\$ 2,200.3	\$ 2,184.1	\$ 16.2
Sales and Transportation (MMDth)						
Residential	29.6	33.3	(3.7)	133.2	156.2	(23.0)
Commercial	27.9	28.5	(0.6)	96.3	108.4	(12.1)
Industrial	125.4	114.9	10.5	258.0	250.0	8.0
Off-System	11.2	8.3	2.9	18.6	12.6	6.0
Other	—	—	—	0.2	0.2	—
Total	194.1	185.0	9.1	506.3	527.4	(21.1)
Heating Degree Days	518	565	(47)	2,857	3,406	(549)
Normal Heating Degree Days	544	544	—	3,368	3,368	—
% Colder (Warmer) than Normal	(5)%	4 %		(15)%	1 %	
% Warmer than prior year	(8)%			(16)%		
Gas Distribution Customers						
Residential				2,987,375	2,962,126	25,249
Commercial				252,904	252,591	313
Industrial				4,798	4,883	(85)
Other				3	5	(2)
Total				3,245,080	3,219,605	25,475

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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

The underlying reasons for changes in our operating revenues for the three and six months ended June 30, 2023 compared to the same periods in 2022 are presented below.

Changes in Operating Revenues (in millions)	Favorable (Unfavorable)	
	Three Months Ended June 30, 2023 vs 2022	Six Months Ended June 30, 2023 vs 2022
New rates from base rate proceedings and regulatory capital programs	\$ 60.5	\$ 143.1
(Decreased) increased customer usage	(3.2)	0.5
The effects of weather in 2023 compared to 2022	(5.4)	(38.7)
Other	4.8	11.2
Change in operating revenues (before cost of energy and other tracked items)	\$ 56.7	\$ 116.1
Operating revenues offset in operating expense		
Lower cost of energy billed to customers	(105.1)	(91.5)
Reduction in gross receipts tax, offset in operating expenses	(3.3)	(9.6)
Higher tracker deferrals within operation and maintenance, depreciation, and tax	3.3	1.2
Total change in operating revenues	\$ (48.4)	\$ 16.2

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 Gas Distribution 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 decrease in total volumes for the three months ended June 30, 2023, compared to the same period in 2022, is primarily attributable to the effects of warmer weather.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution 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 Gas Distribution 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.

[Table of Contents](#)

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

NiSource Inc.
Gas Distribution Operations

The underlying reasons for changes in our operating expenses for the three and six months ended June 30, 2023 compared to the same periods in 2022 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended June 30, 2023 vs 2022	Six Months Ended June 30, 2023 vs 2022
Changes in Operating Expenses <i>(in millions)</i>		
Higher employee and administrative related expenses	\$ (7.4)	\$ (3.3)
Lower materials and supplies expense	3.4	4.7
Property insurance settlement related to the Greater Lawrence Incident received in 2022	—	(105.0)
Higher depreciation and amortization expense	(14.6)	(24.4)
Higher property tax	(8.2)	(9.8)
Lower environmental expenses	4.8	5.4
Impacts from Columbia of Ohio's rate case	(2.5)	(5.1)
Lower outside services expenses	4.3	3.0
Other	(1.7)	(10.7)
Change in operating expenses (before cost of energy and other tracked items)	\$ (21.9)	\$ (145.2)
Operating expenses offset in operating revenue		
Lower cost of energy billed to customers	105.1	91.5
Reduction in gross receipts tax, offset in operating revenues	3.3	9.6
Higher tracker deferrals within operation and maintenance, depreciation, and tax	(3.3)	(1.2)
Total change in operating expense	\$ 83.2	\$ (45.3)

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three and six months ended June 30, 2023 and 2022 are presented below.

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 397.1	\$ 437.3	\$ (40.2)	\$ 861.8	\$ 867.6	\$ (5.8)
Operating Expenses						
Cost of energy	103.7	130.4	26.7	266.1	248.0	(18.1)
Operation and maintenance	127.2	124.2	(3.0)	252.5	240.8	(11.7)
Depreciation and amortization	106.8	96.0	(10.8)	192.7	178.9	(13.8)
Gain on sale of assets	(0.1)	—	0.1	(0.1)	—	0.1
Other taxes	9.9	14.1	4.2	19.1	28.1	9.0
Total Operating Expenses	347.5	364.7	17.2	730.3	695.8	(34.5)
Operating Income	\$ 49.6	\$ 72.6	\$ (23.0)	\$ 131.5	\$ 171.8	\$ (40.3)
Revenues						
Residential	\$ 122.8	\$ 137.1	\$ (14.3)	\$ 273.2	\$ 275.6	\$ (2.4)
Commercial	130.1	134.7	(4.6)	281.0	269.2	11.8
Industrial	112.9	138.9	(26.0)	247.3	268.9	(21.6)
Wholesale	7.5	3.9	3.6	10.1	6.5	3.6
Other	23.8	22.7	1.1	50.2	47.4	2.8
Total	\$ 397.1	\$ 437.3	\$ (40.2)	\$ 861.8	\$ 867.6	\$ (5.8)
Sales (GWh)						
Residential	739.8	845.4	(105.6)	1,505.9	1,664.6	(158.7)
Commercial	876.5	915.3	(38.8)	1,732.7	1,800.6	(67.9)
Industrial	1,993.9	1,994.7	(0.8)	3,931.6	4,002.5	(70.9)
Wholesale	0.7	27.7	(27.0)	0.7	32.1	(31.4)
Other	17.8	24.5	(6.7)	40.6	49.6	(9.0)
Total	3,628.7	3,807.6	(178.9)	7,211.5	7,549.4	(337.9)
Cooling Degree Days	206	342	(136)	206	342	(136)
Normal Cooling Degree Days	247	247	—	247	247	—
% (Colder) Warmer than Normal	(17)%	38 %		(17)%	38 %	
% (Colder) than 2022	(40)%			(40)%		
Electric Customers						
Residential				425,404	423,365	2,039
Commercial				58,490	58,156	334
Industrial				2,129	2,133	(4)
Wholesale				708	712	(4)
Other				3	3	—
Total				486,734	484,369	2,365

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.

The underlying reasons for changes in our operating revenues for the three and six months ended June 30, 2023 compared to the same periods in 2022 are presented below.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

	Favorable (Unfavorable)	
	Three Months Ended June 30, 2023 vs 2022	Six Months Ended June 30, 2023 vs 2022
Changes in Operating Revenues (in millions)		
Reduced fuel handling costs	\$ 1.4	\$ 1.0
New rates from regulatory capital and DSM programs	1.5	5.5
PPA revenue from renewable JV projects, fully offset by JV operating expenses and noncontrolling interest net income (loss)	2.8	3.4
Decreased customer usage	(7.8)	(16.1)
The effects of weather in 2023 compared to 2022	(8.8)	(10.8)
2022 FAC refund	8.0	8.0
Other	(6.0)	(7.3)
Change in operating revenues (before cost of energy and other tracked items)	\$ (8.9)	\$ (16.3)
Operating revenues offset in operating expense		
(Lower) higher cost of energy billed to customers	(26.7)	18.1
Reduction in gross receipts tax, offset in operating expenses	(5.6)	(11.5)
Higher tracker deferrals within operation and maintenance, depreciation and tax	1.0	3.9
Total change in operating revenues	\$ (40.2)	\$ (5.8)

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year 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 heating or cooling degree day comparison.

Sales

The decrease in total volumes sold for the three and six months ended June 30, 2023 compared to the same period in 2022 was primarily attributable to decreased usage by industrial and residential customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides 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 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.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

The underlying reasons for changes in our operating expenses for the three and six months ended June 30, 2023 compared to the same periods in 2022 are presented below.

Changes in Operating Expenses (in millions)	Favorable (Unfavorable)	
	Three Months Ended June 30, 2023 vs 2022	Six Months Ended June 30, 2023 vs 2022
Higher outside services expenses primarily related to higher generation-related maintenance	\$ (5.4)	\$ (12.4)
Renewable JV project expenses, offset by JV operating revenues	(2.0)	(3.2)
(Higher) lower employee and administrative expenses	(0.4)	2.9
Higher payroll tax	(0.4)	(1.1)
Higher depreciation and amortization expense driven by the JV depreciation adjustment ⁽¹⁾	(7.9)	(8.3)
Other	2.0	(1.9)
Change in operating expenses (before cost of energy and other tracked items)	\$ (14.1)	\$ (24.0)
Operating expenses offset in operating revenue		
Reduction in gross receipts tax, offset in operating revenues	5.6	11.5
Lower (higher) cost of energy billed to customers	26.7	(18.1)
Higher tracker deferrals within operation and maintenance, depreciation and tax	(1.0)	(3.9)
Total change in operating expense	\$ 17.2	\$ (34.5)

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 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 anticipated barriers to the success of 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.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from this 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.

Three wind projects and two solar projects have been placed into service, totaling approximately 1,269 MW of nameplate capacity. NIPSCO has executed commercial agreements for each of the nine remaining identified projects. Dunns Bridge II, Cavalry, Fairbanks, Indiana Crossroads II, and GreenRiver have received IURC approval. Additional approvals by the IURC may be required to obtain recovery for increases in projects costs. NIPSCO has recently filed with the IURC seeking approval for the Appleseed, Templeton, Carpenter and Gibson projects. Our current replacement program will be augmented by the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

Project Status. Our contract amendments with certain solar agreements will result in the majority of our remaining projects, and investments, being placed in service between 2023 and 2025. These amendments also formally address inflationary cost pressures communicated from the developers of our solar and storage projects that are primarily due to (i) limited supply of solar panels and other uncertainties related to the pending U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd./Uyghur Forced Labor Prevention Act, (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring our other renewable projects as upcoming project milestones related to permitting and obtaining interconnection rights are expected to occur. Preliminary findings from the DOC Investigation were released in December 2022, with a final decision expected in August 2023. The resolution of these issues, including the final conclusion of the DOC Investigation will determine which, if any, of our solar projects will be subject to any tariffs imposed.

NIPSCO has taken recent contractual actions as a result of market changes with the MISO seasonal resource adequacy construct and continued cost pressures and development delays on its unamended contracts. NIPSCO has executed contracts with developers and filed for approval of three new PPAs with the IURC; Appleseed Solar, Templeton Wind, and Carpenter Wind. NIPSCO has also contracted with a developer and filed for approval with the IURC a BTA for the Gibson Project (a conversion of the Gibson PPA to a BTA). These additions are coupled with the mutual termination of the Brickyard Solar, Greensboro Solar and Storage, Gibson Solar PPAs, and the BTA project Elliott. These contractual actions do not alter the anticipated timing of NIPSCO’s coal retirements and afford greater certainty of new resource timing.

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)
Cavalry ⁽¹⁾	BTA	Solar & Storage	200	60
Dunn's Bridge II ⁽¹⁾	BTA	Solar & Storage	435	75
Fairbanks ⁽¹⁾	BTA	Solar	250	—
Gibson ⁽¹⁾	BTA	Solar	200	—
Indiana Crossroads II	15 year PPA	Wind	204	—
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	—

⁽¹⁾Ownership of the facility will be transferred to JVs whose members are expected to include NIPSCO and an unrelated tax equity partner. Alternatively, NIPSCO is evaluating the optionality related to the transferability of credits afforded by the passage of the IRA. NIPSCO may seek direct ownership of the facility with no JV structure.

[Table of Contents](#)

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 \$1.5 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 20, 2022 we entered into a \$1.0 billion term credit agreement that matures on December 19, 2023. On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs. On June 8, 2023, we completed the issuance and sale of a reopening of \$300.0 million of 5.25% senior unsecured notes maturing in 2028 and \$450.0 million of 5.40% senior unsecured notes maturing in 2033, which resulted in approximately \$742.5 million of net proceeds after discount and debt issuance costs. On June 15, 2023, we redeemed all 400,000 shares of Series A Preferred Stock for a redemption price of \$1,000 per share, or \$400.0 million in total. We maintain an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of \$750.0 million through December 31, 2023. As of June 30, 2023, the ATM program had approximately \$300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred Stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," Note 14, "Long-Term Debt," and Note 15, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on our ATM program and Equity Units.

On November 7, 2022, we announced that we intend to pursue the sale of a minority interest in our NIPSCO business unit. On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II, entered into the BIP Purchase Agreement with an affiliate of BIP, pursuant to which BIP will acquire an indirect 19.9 percent equity interest in NIPSCO for a purchase price of \$2.150 billion in cash, subject to adjustments based on the timing of closing and the amount of capital contributions made by NiSource prior to closing. NiSource intends to use the proceeds from the purchase price and BIP's capital contribution to support NIPSCO's capital expenditure plans for serving customers, reduce NiSource's debt and fund ongoing capital needs associated with the renewable generation transition. Refer to Note 16, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on this transaction.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2023 and beyond.

The following table summarizes our cash flow activities:

<i>(in millions)</i>	Six Months Ended June 30,		
	2023	2022	Change in 2023 vs 2022
Cash from (used for):			
Operating Activities	\$ 1,191.0	\$ 907.2	\$ 283.8
Investing Activities	(1,375.6)	(951.1)	(424.5)
Financing Activities	300.3	48.5	251.8

Operating Activities

The increase in cash from operating activities was primarily driven by year over year change in accounts receivable collections driven by the implementation of new rates at NIPSCO Gas and the impact of lower gas prices on operating expenses.

Investing Activities

Our current year investing activities were comprised of increased capital expenditures related to system growth and reliability, payments to renewable generation asset developers related to milestone payments for certain of our BTA projects, as well as the property insurance settlement related to the Greater Lawrence Incident received in the prior year.

As we evaluate adjustments to renewable generation project timing, we remain on track to make capital investments totaling \$3.3 billion to \$3.6 billion during the 2023 period. We also expect to invest approximately \$15.0 billion during the 2023-2027 period, including capital investments to support our generation transition strategy. These forecasted capital investments and those included in our Annual Report on Form 10-K for the year ended December 31, 2022, are subject to continuing review and

[Table of Contents](#)

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

NiSource Inc.

adjustment. Actual capital expenditures may vary from these estimates. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

Regulatory Capital Programs. We replace pipe and modernize our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2023, 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 as well as other federally mandated compliance investments currently in rates or pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered ⁽¹⁾	Rates Effective
Columbia of Ohio	IRP - 2023	\$ 38.4	\$ 316.3	1/22-12/22	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe.	May 2023
Columbia of Ohio	CEP - 2023	\$ 31.0	\$ 265.6	1/22-12/22	Assets not included in the IRP.	September 2023
NIPSCO - Gas	TDSIC 6	\$ (2.5)	\$ 149.8	1/22-2/23	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	September 2023
NIPSCO - Gas ⁽²⁾⁽³⁾	FMCA 2	\$ 4.2	\$ 38.2	4/22-9/22	Project costs to comply with federal mandates.	April 2023
NIPSCO - Gas ⁽³⁾	FMCA 1	\$ (4.0)	\$ 13.4	10/22-3/23	Project costs to comply with federal mandates.	October 2023
Columbia of Virginia ⁽⁴⁾	SAVE - 2023	\$ 4.5	\$ 45.9	1/23-12/23	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2023
Columbia of Kentucky	SMRP - 2023	\$ 1.6	\$ 41.6	1/23-12/23	Replacement of mains and inclusion of system safety investments.	January 2023
Columbia of Maryland ⁽⁵⁾	STRIDE - 2023	\$ 1.3	\$ 18.0	1/23-12/23	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2023
NIPSCO - Electric	TDSIC - 2	\$ 6.6	\$ 143.5	2/22-7/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	February 2023
NIPSCO - Electric ⁽⁶⁾	TDSIC - 3	\$ 45.6	\$ 130.2	8/22-1/23	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2023

⁽¹⁾Programs do not include any costs already included in base rates.

⁽²⁾On March 1, 2023, incremental tracker revenue was updated as certain investments are now being recovered through base rates.

⁽³⁾NIPSCO received approval for a new certificate of public convenience and necessity on December 28, 2022 for an additional Pipeline Safety III Compliance Plan, including \$235.3M in capital and \$34.1M in operation and maintenance expense project investments.

⁽⁴⁾Columbia of Virginia received a final order on November 1, 2022 modifying the SAVE filing incremental revenue and investments.

⁽⁵⁾Columbia of Maryland's current STRIDE expires December 31, 2023. On June 23, 2023, CMD filed an application for approval of a new five-year STRIDE. A final order is anticipated Q4 2023.

⁽⁶⁾NIPSCO Electric TDSIC-3 is for a 14-month billing period in anticipation of a rate case order in August 2023 and a subsequent 9 month hold-out period.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated \$40.0 million of federally mandated retirement costs. On November 2, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of R.M. Schahfer Generation Station's multi-cell unit. The project includes a total estimated \$53.0 million of federally mandated retirement costs. Due to the Settlement filed on March 10, 2023, both FMCA cases have been stayed pending the outcome of NIPSCO's electric base rate case, which proposes these pond closure costs be recovered through base rates, rather than the FMCA Tracker. Refer to Note 16, "Other Commitments and Contingencies - C. Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

Columbia of Ohio filed an application on February 28, 2023, to establish a new PHMSA IRP Rider in order to recover costs incurred to comply with the PHMSA regulations. As proposed, the rider would provide for cost deferrals and carrying costs during the investment period. It is anticipated that the PUCO will rule on this application in 2023.

[Table of Contents](#)

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

NiSource Inc.

Financing Activities

Common Stock, Preferred Stock and Equity Units. Refer to Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock and equity units activity.

Long-Term Debt. Refer to Note 14, "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 15, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

Noncontrolling Interest. Refer to Note 13, "Variable Interest Entities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on contributions from noncontrolling interest activity.

NIPSCO Minority Equity Interest Sale. Refer to Note 16, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on the BIP Purchase Agreement and use of proceeds from this transaction.

Sources of Liquidity

The following table displays our liquidity position as of June 30, 2023 and December 31, 2022:

<i>(in millions)</i>	June 30, 2023	December 31, 2022
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	372.0	447.2
<i>Less:</i>		
Commercial Paper	590.0	415.0
Accounts Receivable Programs Utilized	—	347.2
Letters of Credit Outstanding Under Credit Facility	10.2	10.2
<i>Add:</i>		
Cash and Cash Equivalents	151.3	40.8
Net Available Liquidity	\$ 1,773.1	\$ 1,565.6

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

Debt Covenants. We are subject to financial covenants under our revolving credit facility and term credit agreement, which require us to maintain a debt to capitalization ratio that does not exceed 70.0%. As of June 30, 2023, the ratio was 62.5%.

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 June 30, 2023. 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

[Table of Contents](#)

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

NiSource Inc.

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 June 30, 2023, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$88.6 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 620,000,000 shares, \$0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of June 30, 2023, 413,148,513 shares of common stock and 902,500 shares of preferred 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, 2022. Except for our March and June 2023 debt issuances, there were no additional material changes from year-end during the six months ended June 30, 2023. Refer to Note 14, "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 business. Such agreements include guarantees and stand-by letters of credit. Refer to Note 16, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

[Table of Contents](#)

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 Gas Distribution 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 Gas Distribution 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 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. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric 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 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 will continue efforts to design rates that increase the certainty of recovery of fixed costs.

[Table of Contents](#)

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	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Currently Approved in Current or Future Rates							
Columbia of Pennsylvania ⁽¹⁾	11.20 %	None specified	\$ 82.2	\$ 44.5	March 18, 2022	Approved December 8, 2022	December 2022
Columbia of Maryland	10.85 %	9.65 %	\$ 5.8	\$ 3.5	May 13, 2022	Approved November 17, 2022	December 2022
Columbia of Kentucky ⁽²⁾	10.30 %	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	Approved December 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	10.95 %	None specified	\$ 40.5	\$ 25.8	April 29, 2022	Approved May 15, 2023	October 2022
Columbia of Ohio	10.95 %	9.60 %	\$ 221.4	\$ 68.3	June 30, 2021	Approved January 26, 2023	March 2023
NIPSCO - Gas ⁽⁴⁾	10.50 %	9.85 %	\$ 109.7	\$ 71.8	September 29, 2021	Approved July 27, 2022	September 2022
NIPSCO - Electric	10.80 %	9.75 %	\$ 21.4	(\$ 53.5)	October 31, 2018	Approved December 4, 2019	January 2020
Active Rate Cases							
NIPSCO - Electric ⁽⁵⁾	10.40 %	In process	\$ 291.8	In process	September 19, 2022	Order Expected Q3 2023	September 2023
Columbia of Maryland ⁽⁶⁾	10.95 %	In process	\$ 6.8	In process	May 12, 2023	Order Expected Q4 2023	December 2023

⁽¹⁾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.

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

⁽³⁾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 other than base rates.

⁽⁴⁾New rates are 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.

⁽⁵⁾If the pending settlement is approved, new rates will be implemented in 2 steps, with implementation of Step 1 rates to be effective in September 2023 and Step 2 rates to be effective in March 2024. In addition to the requested incremental revenue of \$291.8 million, an additional request was made for \$103.2 million for costs associated with a new Variable Cost Tracker (VCT) bringing the total requested incremental revenue to \$395.0 million. A settlement agreement was filed on March 10, 2023, with supporting testimony filed on March 17, 2023, reflecting incremental revenue of \$261.9 million plus an additional \$29.9 million for recovery of costs associated with a new Environmental Cost Tracker (replacing the VCT). The evidentiary hearing occurred in April 2023 with an anticipated final order August 2023.

⁽⁶⁾The requested incremental revenue has increased to \$7.5M after updating for actual information in the June 30, 2023 Supplemental Filing.

PHMSA Regulations

On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law, reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA 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. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement and utilize advanced leak detection and repair technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment.

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, NiSource's 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 its existing advanced leak detection program. We are unable to estimate impacts of these proposed revisions on our business at this time.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

CCR Regulation

In May 2023, EPA proposed changes to the CCR regulations for inactive surface impoundments at inactive facilities, referred to as "legacy CCR surface impoundments". 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". NIPSCO potentially has CCR areas that could become subject to the proposed changes. NIPSCO is reviewing the proposed rule but we cannot estimate impacts on our business at this time.

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. Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows.

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, signed into law in November 2021; the IRA, signed into law in August 2022; and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the Infrastructure Investment and Jobs Act 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 over the next five years. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

In February 2021, the United States rejoined 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. Subsequently, the Biden Administration released 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 pathways to reach these goals.

On June 30, 2022, the Supreme Court of the United States ruled for the petitioners in *West Virginia v. EPA*, which examined the authority of the EPA to regulate GHG emissions from the power sector. We will continue to evaluate this matter, but we remain committed to our previously stated carbon reduction goals.

In May 2023, 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. We are reviewing the potential impacts of the proposed rules but we are unable to estimate impacts on our business at this time.

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, 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 is required to adopt a

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the 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 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. In May 2023, the Maryland Department of the Environment issued draft Building Energy Performance Standards, which would require net-zero direct greenhouse gas emissions from large buildings by 2040. Columbia of Maryland is advocating for compliance pathways that use RNG, hydrogen, and emissions offsets. Columbia of Maryland will continue to monitor this matter, but we cannot predict its final impact on our business at this time.

NIPSCO, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows 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. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. After reaching settlement with other parties in September 2022, NIPSCO agreed to add a third tier to offset 25% of customer usage. Columbia of Maryland's filing was denied by the PUC in January 2023. Columbia of Virginia received a final order in May 2023, approving the Green Path Rider and will start enrolling customers in September 2023. Columbia of Pennsylvania filed a Joint Petition for Nonunanimous Settlement with the Bureau of Investigation and Enforcement (I&E) and the Office of Small Business Advocate (OSBA) in March 2023, in support of the Commission's adoption of the Green Path Rider. Columbia of Pennsylvania received an order in June 2023 that rejected the settlement agreement and denied implementation of the Green Path Rider. The filing for Columbia of Kentucky is still being evaluated. Additionally, NIPSCO 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 response to these transition risks and opportunities, on November 7, 2022, we announced a goal of net-zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 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 percent from 2005 levels by 2025 and reducing Scope 1 greenhouse gas emissions from company-wide operations by 90 percent 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- or zero-emission energy resources and technologies, such as hydrogen, renewable natural gas, 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 2022, we had reduced Scope 1 GHG emissions by approximately 67% 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.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans. Additionally, as discussed above in this Management's Discussion within "Liquidity and Capital Resources - Regulatory Capital Programs," our natural gas distribution companies are lowering methane emissions by replacing aging infrastructure, which also increases safety and reliability for customers and communities.

[Table of Contents](#)

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 Operations 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 8, "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 June 30, 2023 and December 31, 2022.

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, term credit agreement 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 \$3.1 million and \$7.6 million for the three and six months ended June 30, 2023 and \$1.2 million and \$2.7 million for the three and six months ended June 30, 2022, 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.

Refer to Note 8, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of June 30, 2023 and December 31, 2022.

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.

[Table of Contents](#)

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

NiSource Inc.

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.

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, 2022. There were no material changes made as of June 30, 2023.

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.

[Table of Contents](#)

NiSource Inc.

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.

[Table of Contents](#)

NiSource Inc.

PART II

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 16, "Other Commitments and Contingencies - B. Legal Proceedings," in the Notes to the Condensed Consolidated Financial Statements (unaudited). This information is supplemented by Note 15, in the Notes to the Condensed Consolidated Financial Statements (unaudited) of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.

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, 2022, as supplemented by the risk factor set forth below. There have been no material changes to such risk factors, other than the risks described below.

The NIPSCO Minority Equity Interest Sale is Subject to Risk and Uncertainties that Could Have a Material Adverse Effect on Our Cash Flows, Liquidity, Financial Condition, or Stock Price.

The NIPSCO Minority Equity Interest Sale is subject to various risks and uncertainties. The timing and certainty of the closing of the NIPSCO Minority Equity Interest Sale is subject to our ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale, including the ability to obtain FERC approval necessary to complete the NIPSCO Minority Equity Interest Sale, as well as any timing of and conditions imposed upon us by FERC in connection with such authorization. Furthermore, our efforts to close the NIPSCO Minority Equity Interest Sale may cause disruption to NiSource's business including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues. In addition, we have incurred, and will continue to incur, significant costs, expenses, and fees for professional services and other costs in connection with the NIPSCO Minority Equity Interest Sale, and many of these fees and costs are payable by us regardless of whether or not the NIPSCO Minority Equity Interest Sale is consummated.

Additionally, even if we close the NIPSCO Minority Equity Interest Sale, we may not be able to achieve the anticipated benefits from the NIPSCO Minority Equity Interest Sale fully, or at all, or the benefits may take longer to realize than anticipated, whether as a result of our execution or as a result of various factors, including prevailing market conditions, that could negatively impact the benefits we are able to achieve.

Our failure to consummate the NIPSCO Minority Equity Interest Sale at all, or in a timely manner, potential business disruptions, related costs and expenses, or our failure to achieve anticipated benefits of the NIPSCO Minority Equity Interest Sale could have a material adverse effect on our cash flows, liquidity, financial condition and stock price.

Finally, we cannot fully anticipate the effects of the NIPSCO Minority Equity Interest Sale on the industry, market, economic, political or regulatory conditions outside of our control. Any such consequential effects could have a potential adverse impact on our business.

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 June 30, 2023, 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.

[Table of Contents](#)

ITEM 6. EXHIBITS

NiSource Inc.

- (3.1) Certificate of Amendment of Amended and Restated Certificate of Incorporation of NiSource Inc. dated May 23, 2023 (incorporated by reference to [Exhibit 3.1 to the NiSource Inc. Form 8-K](#) filed on May 24, 2023).
- (3.2) Certificate of Elimination of the Company with respect to the Series A Preferred Stock, dated June 16, 2023 (incorporated by reference to [Exhibit 3.1 to the NiSource Inc. Form 8-K](#) filed on June 16, 2023).
- (4.1) Form of 5.250% Notes due 2028 (incorporated by reference to [Exhibit 4.1 to the NiSource Inc. Form 8-K](#) filed on March 24, 2023).
- (4.2) Form of 5.400% Notes due 2033 (incorporated by reference to [Exhibit 4.2 to the NiSource Inc. Form 8-K](#) filed on June 9, 2023).
- (10.1) Purchase and Sale Agreement, dated as of June 17, 2023, among NiSource Inc., as the Parent, NIPSCO Holdings II LLC, as the Company, and BIP BLUE BUYER L.L.C., as the Investor (incorporated by reference to [Exhibit 10.1 to the NiSource Inc. Form 8-K](#) filed on June 20, 2023).
- (10.2) [Amendment No. 1 to the Purchase and Sale Agreement, dated as of July 6, 2023, among NiSource Inc., as the Parent, NIPSCO Holdings II LLC, as the Company, and BIP BLUE BUYER L.L.C., as the Investor.](#)*
- (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.

*

**

Exhibit filed herewith.

[Table of Contents](#)

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: August 2, 2023

By:

/s/ Gunnar J. Gode

Gunnar J. Gode

Vice President, Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 10.2

Execution Version

**AMENDMENT NO. 1 TO
PURCHASE AND SALE AGREEMENT**

THIS AMENDMENT NO. 1 TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made as of the July 6, 2023 by and among NiSource Inc., a Delaware corporation (the "Parent"), NIPSCO Holdings II LLC, a Delaware limited liability company (the "Company"), and BIP Blue Buyer L.L.C., a Delaware limited liability company (the "Investor"), and each of the Parent, the Company and the Investor is herein referred to as a "Party" and together, the "Parties"), and amends that certain Purchase and Sale Agreement, dated June 17, 2023 (the "Purchase Agreement"), by and among the Parties. All capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

RECITALS

A. The Parties desire to amend and restate the Disclosure Schedules in their entirety in the form as attached hereto as Exhibit A (the "Amended Disclosure Schedules").

B. Subsection 10.6 of the Purchase Agreement provides that any provision of the Disclosure Schedules may be amended only in a writing signed by each of the Parties.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises herein made and on the terms and subject to the conditions herein contained, the Parties agree as follows:

AGREEMENT

1. Amended and Restated Disclosure Schedule. The Disclosure Schedules are hereby amended and restated in their entirety in the form attached hereto as Exhibit A.

2. Miscellaneous.

a. Effect. The Purchase Agreement, as amended hereby, is hereby ratified and confirmed in all respects and shall remain in full force and effect pursuant to the terms thereof.

b. Governing Law. Section 10.14 of the Purchase Agreement is hereby incorporated herein *mutatis mutandis*.

c. Severability. If any term, provision, covenant or restriction contained in this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and, to the extent permitted and possible, any invalid, void or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid, void or unenforceable term.

d. Entire Agreement. The Purchase Agreement, as amended by this Amendment, and any other agreements expressly referred to herein or therein, contains the entire agreement of the Parties respecting the sale and purchase of the Purchased Interests and the transactions contemplated hereby and supersedes all prior agreements among the Parties respecting the sale and purchase of the Purchased Interests.

e. Counterparts. This Amendment may be executed in counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. The Parties agree that the delivery of this Amendment may be effected by means of an exchange of facsimile or electronically transmitted signatures.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

PARENT:

NISOURCE INC.

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

[Signature Page to Amendment No. 1 to Purchase and Sale Agreement]

COMPANY:

NIPSCO HOLDINGS II LLC

By: /s/ Shawn Anderson
Name: Shawn Anderson
Title: President and Chief Financial Officer

[Signature Page to Amendment No. 1 to Purchase and Sale Agreement]

INVESTOR:

BIP BLUE BUYER L.L.C.

By: BIP Holdings Manager L.L.C., its managing member

By: /s/ Sebastien Sherman _____

Name: Sebastien Sherman

Title: Senior Managing Director

[Signature Page to Amendment No. 1 to Purchase and Sale Agreement]

[Signature Page to Amendment No. 1 to Purchase and Sale Agreement]

EXHIBIT
DISCLOSURE SCHEDULES

[SEE ATTACHED]

[REMAINDER OF PAGE INTENTIONALLY REMAINS BLANK]

Company and Parent Disclosure Schedules

[Exhibit A]

- Schedule 2.3 - No Violation
- Schedule 2.5(a) - Equity Interests
- Schedule 2.6(b) - No Undisclosed Liabilities
- Schedule 2.6(e) - Leakage Since Balance Sheet Date
- Schedule 2.7 - Absence of Certain Developments
- Schedule 2.8(g) - Encumbrances on Real Property
- Schedule 2.9 - Tax Matters
- Schedule 2.10 - Material Contracts
- Schedule 2.13 - Employees
- Schedule 2.14(a) - Employee Benefit Plans
- Schedule 2.14(d) - Post-Employment or Retirement Welfare Benefits
- Schedule 2.14(e) - Title IV Plans
- Schedule 2.16 - Environmental Matters
- Schedule 2.17 - Governmental Investigations
- Schedule 2.18 - Affiliated Transactions
- Schedule 2.19 - Regulatory Matters
- Schedule 3.3 - No Violation (Parent)
- Schedule 3.4 - Governmental Consents (Parent)
- Schedule 3.7 - Broker Fees (Parent)
- Schedule 5.1(a) - Conduct of Business
- Schedule 5.1(b) - Permitted Interim Period Business Activities
- Schedule 5.7 - Interim Period Subsidiaries
- Schedule 9.2 - Tax Allocation
- Schedule 10.17 - Existing Indebtedness

Investor Disclosure Schedules

- Schedule 4.6 - Broker Fees (Investor)
- Schedule 4.10 - Regulatory
- Schedule 5.3(d) - Investor Interim Acquisitions

Exhibit 31.1

**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 for the quarter ended June 30, 2023;
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(s) 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: August 2, 2023

By:

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Exhibit 31.2

**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 June 30, 2023;
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(s) 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: August 2, 2023

By:

/s/ Shawn Anderson

Shawn Anderson
Executive Vice President and Chief Financial
Officer

Exhibit 32.1

**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 June 30, 2023 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 results of operations of the Company.

/s/ Lloyd M. Yates

Lloyd M. Yates
President and Chief Executive Officer

Date: August 2, 2023

Exhibit 32.2

**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 June 30, 2023 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 results of operations of the Company.

/s/ Shawn Anderson

Shawn Anderson
Executive Vice President and Chief Financial Officer

Date: August 2, 2023

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 September 30, 2023

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 Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NI	NYSE
Depository Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, liquidation preference \$25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value \$0.01 per share, liquidation preference \$0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	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: 413,415,441 shares outstanding at October 24, 2023.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	13
Notes to Condensed Consolidated Financial Statements (unaudited)	16
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	36
Item 3. Quantitative and Qualitative Disclosures About Market Risk	58
Item 4. Controls and Procedures	58
<u>PART II OTHER INFORMATION</u>	
Item 1. Legal Proceedings	59
Item 1A. Risk Factors	59
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	59
Item 3. Defaults Upon Senior Securities	59
Item 4. Mine Safety Disclosures	59
Item 5. Other Information	59
Item 6. Exhibits	60
Signature	61

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 Massachusetts	Bay State Gas Company
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	Dunns Bridge I Solar Generation LLC and its wholly owned subsidiary, Dunns Bridge Solar Center, LLC
Dunns Bridge II	Dunns Bridge II Solar Generation LLC
Fairbanks	Fairbanks Solar Generation LLC
Cavalry	Cavalry Solar Generation LLC

Abbreviations and Other

AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	At-the-market
BIP	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)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019 and its variants, including the Delta and Omicron variants, and any other variant that may emerge
DPU	Department of Public Utilities
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
FASB	Financial Accounting Standards Board

DEFINED TERMS

FERC	Federal Energy Regulatory Commission
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 Programs
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NYMEX	New York Mercantile Exchange
OPEB	Other Postemployment Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PUCO	Public Utilities Commission of Ohio
RNG	Renewable Natural Gas
ROU	Right of use
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
Section 201 Tariffs	Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026
SMRP	Safety Modification and Replacement Program
SMS	Safety Management System
SOFR	Secured Overnight Financing Rate
STRIDE	Strategic Infrastructure Development Enhancement
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

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 regarding the ability to complete the NIPSCO Minority Equity Interest Sale (as defined below) on the anticipated timeline or at all; statements regarding the anticipated benefits of the NIPSCO Minority Equity Interest Sale if completed; statements regarding the projected impact of the NIPSCO Minority Equity Interest Sales on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the NIPSCO Minority Equity Interest Sale; 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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. 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, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the NIPSCO Minority Equity Interest Sale; the ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale; the ability to achieve the anticipated benefits of the NIPSCO Minority Equity Interest Sale; the effects of transaction costs; the effects of the NIPSCO Minority Equity Interest Sale on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the NIPSCO Minority Equity Interest Sale, including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues; 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 adapt to, and manage costs related to, advances in, or failures of, 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 natural gas costs 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 demands; the attraction and retention of a qualified, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; 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; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; inflation; recessions; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; 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; potential remaining liabilities related to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023, many 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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	7
Condensed Statements of Consolidated Comprehensive Income (unaudited)	8
Condensed Consolidated Balance Sheets (unaudited)	9
Condensed Statements of Consolidated Cash Flows (unaudited)	11
Condensed Statements of Consolidated Equity (unaudited)	13
Notes to Condensed Consolidated Financial Statements (unaudited)	16
1. Basis of Accounting Presentation	16
2. Recent Accounting Pronouncements	16
3. Revenue Recognition	16
4. Earnings Per Share	19
5. Equity	21
6. Regulatory Matters	23
7. Risk Management Activities	23
8. Fair Value	25
9. Income Taxes	28
10. Pension and Other Postretirement Benefits	28
11. Variable Interest Entities	29
12. Long-Term Debt	30
13. Short-Term Borrowings	30
14. Other Commitments and Contingencies	31
15. Accumulated Other Comprehensive Loss	34
16. Other, Net	35
17. Business Segment Information	35

[Table of Contents](#)

PART I

ITEM 1. FINANCIAL STATEMENTS

NiSource Inc.

Condensed Statements of Consolidated Income (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(in millions, except per share amounts)</i>				
Operating Revenues				
Customer revenues	\$ 1,002.6	\$ 1,058.2	\$ 3,965.9	\$ 4,055.0
Other revenues	24.8	31.3	117.5	91.0
Total Operating Revenues	1,027.4	1,089.5	4,083.4	4,146.0
Operating Expenses				
Cost of energy	181.3	330.8	1,198.3	1,421.2
Operation and maintenance	341.2	347.9	1,101.9	1,124.1
Depreciation and amortization	210.9	203.2	650.9	604.6
Gain on sale of assets, net	(0.2)	(0.3)	(0.5)	(105.3)
Other taxes	61.2	51.2	199.9	201.1
Total Operating Expenses	794.4	932.8	3,150.5	3,245.7
Operating Income	233.0	156.7	932.9	900.3
Other Income (Deductions)				
Interest expense, net	(129.2)	(91.6)	(348.6)	(259.8)
Other, net	(1.6)	10.1	1.9	30.0
Total Other Deductions, Net	(130.8)	(81.5)	(346.7)	(229.8)
Income before Income Taxes	102.2	75.2	586.2	670.5
Income Taxes	3.8	11.7	103.7	119.9
Net Income	98.4	63.5	482.5	550.6
Net income (loss) attributable to noncontrolling interest	13.3	(2.3)	5.6	(9.0)
Net Income Attributable to NiSource	85.1	65.8	476.9	559.6
Preferred dividends	(8.1)	(13.8)	(34.6)	(41.4)
Preferred redemption premium	—	—	(6.2)	—
Net Income Available to Common Shareholders	77.0	52.0	436.1	518.2
Earnings Per Share				
Basic Earnings Per Share ⁽¹⁾	\$ 0.19	\$ 0.13	1.05	\$ 1.28
Diluted Earnings Per Share	\$ 0.17	\$ 0.12	\$ 0.98	\$ 1.18
Basic Average Common Shares Outstanding	413.5	406.5	413.2	406.3
Diluted Average Common Shares	448.3	443.4	447.4	441.7

⁽¹⁾ Basic Earnings Per Share includes the incremental impact of participating securities under the Two-Class Method. See Note 4, "Earnings Per Share," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Comprehensive Income (unaudited)

<i>(in millions, net of taxes)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net Income	\$ 98.4	\$ 63.5	\$ 482.5	\$ 550.6
Other comprehensive income:				
Net unrealized loss on available-for-sale debt securities ⁽¹⁾	(1.7)	(4.5)	(0.9)	(14.1)
Reclassification adjustment for cash flow hedges ⁽²⁾	(0.1)	16.2	(0.2)	119.2
Unrecognized pension and OPEB benefit (costs) ⁽³⁾	0.7	0.6	1.3	(1.8)
Total other comprehensive income (loss)	(1.1)	12.3	0.2	103.3
Comprehensive Income	\$ 97.3	\$ 75.8	\$ 482.7	\$ 653.9

⁽¹⁾Net unrealized loss on available-for-sale debt securities, net of \$0.4 million tax benefit and \$1.1 million tax benefit in the third quarter of 2023 and 2022, respectively, and \$0.2 million of tax benefit and \$3.7 million tax benefit for the nine months ended 2023 and 2022, respectively.

⁽²⁾Reclassification adjustment for cash flow hedges, net of \$0.0 million tax expense and \$5.3 million tax expense in the third quarter of 2023 and 2022, respectively, and \$0.1 million of tax benefit and \$39.4 million tax expense for the nine months ended 2023 and 2022, respectively.

⁽³⁾Unrecognized pension and OPEB benefit (costs), net of \$0.3 million of tax expense and \$0.2 million tax expense in the third quarter of 2023 and 2022, respectively, and \$0.5 million of tax expense and \$0.6 million tax benefit for the nine months ended 2023 and 2022, respectively.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

<i>(in millions)</i>	September 30, 2023	December 31, 2022
ASSETS		
Property, Plant and Equipment		
Plant	\$ 29,816.1	\$ 27,551.3
Accumulated depreciation and amortization	(8,104.1)	(7,708.7)
Net Property, Plant and Equipment ⁽¹⁾	21,712.0	19,842.6
Investments and Other Assets		
Unconsolidated affiliates	5.2	1.6
Available-for-sale debt securities (amortized cost of \$178.2 and \$166.7, allowance for credit losses of \$0.9 and \$0.9, respectively)	161.9	151.6
Other investments	76.4	71.0
Total Investments and Other Assets	243.5	224.2
Current Assets		
Cash and cash equivalents	56.0	40.8
Restricted cash	50.6	34.6
Accounts receivable	585.1	1,065.8
Allowance for credit losses	(15.5)	(23.9)
Accounts receivable, net	569.6	1,041.9
Gas inventory	297.8	531.7
Materials and supplies, at average cost	183.7	151.4
Electric production fuel, at average cost	60.0	68.8
Exchange gas receivable	37.8	128.1
Regulatory assets	217.8	233.2
Deposits to renewable generation asset developer	179.5	143.8
Prepayments and other	162.6	210.0
Total Current Assets ⁽¹⁾	1,815.4	2,584.3
Other Assets		
Regulatory assets	2,277.5	2,347.6
Goodwill	1,485.9	1,485.9
Deferred charges and other	293.9	252.0
Total Other Assets	4,057.3	4,085.5
Total Assets	\$ 27,828.2	\$ 26,736.6

⁽¹⁾Includes \$1,338.6 million and \$978.5 million at September 30, 2023 and December 31, 2022, respectively, of net property, plant and equipment assets and \$65.5 million and \$25.7 million at September 30, 2023 and December 31, 2022, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 11, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

<i>(in millions, except share amounts)</i>	September 30, 2023	December 31, 2022
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - \$0.01 par value, 600,000,000 shares authorized; 413,324,607 and 412,142,602 shares outstanding, respectively	\$ 4.2	\$ 4.2
Preferred stock - \$0.01 par value, 20,000,000 shares authorized; 902,500 and 1,302,500 shares outstanding, respectively	1,152.6	1,546.5
Treasury stock	(99.9)	(99.9)
Additional paid-in capital	7,393.0	7,375.3
Retained deficit	(1,200.6)	(1,213.6)
Accumulated other comprehensive loss	(36.9)	(37.1)
Total NiSource Stockholders' Equity	7,212.4	7,575.4
Noncontrolling interest in consolidated subsidiaries	556.9	326.4
Total Equity	7,769.3	7,901.8
Long-term debt, excluding amounts due within one year	11,011.3	9,523.6
Total Capitalization	18,780.6	17,425.4
Current Liabilities		
Current portion of long-term debt	26.8	30.0
Short-term borrowings	2,219.9	1,761.9
Accounts payable	648.2	899.5
Dividends payable - common stock	103.8	—
Dividends payable - preferred stock	8.1	—
Customer deposits and credits	286.6	324.7
Taxes accrued	176.1	246.2
Interest accrued	150.4	138.4
Exchange gas payable	44.1	147.6
Regulatory liabilities	320.2	236.8
Asset retirement obligations	57.1	35.5
Accrued compensation and employee benefits	183.3	167.5
Obligations to renewable generation asset developer	—	347.2
Other accruals	170.8	325.2
Total Current Liabilities⁽¹⁾	4,395.4	4,660.5
Other Liabilities		
Deferred income taxes	2,011.4	1,854.5
Accrued liability for postretirement and postemployment benefits	236.0	245.5
Regulatory liabilities	1,643.5	1,775.8
Asset retirement obligations	469.8	478.1
Other noncurrent liabilities and deferred credits	291.5	296.8
Total Other Liabilities⁽¹⁾	4,652.2	4,650.7
Commitments and Contingencies (Refer to Note 14, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 27,828.2	\$ 26,736.6

⁽¹⁾Includes \$41.0 million and \$128.2 million at September 30, 2023 and December 31, 2022, respectively, of current liabilities and \$55.0 million and \$30.6 million at September 30, 2023 and December 31, 2022, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 11, "Variable Interest Entities," for additional information.

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Nine Months Ended September 30, (in millions)	2023	2022
Operating Activities		
Net Income	\$ 482.5	\$ 550.6
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	650.9	604.6
Deferred income taxes and investment tax credits	102.1	118.3
Gain on sale of assets	(0.5)	(105.3)
Other adjustments	12.0	27.7
Changes in Assets and Liabilities:		
Components of working capital	323.6	(115.2)
Regulatory assets/liabilities	15.1	(17.4)
Deferred charges and other noncurrent assets	(11.8)	(16.8)
Other noncurrent liabilities and deferred credits	(38.0)	(10.3)
Net Cash Flows from Operating Activities	1,535.9	1,036.2
Investing Activities		
Capital expenditures	(1,885.6)	(1,523.0)
Insurance recoveries	—	105.0
Cost of removal	(118.7)	(108.6)
Payment to renewable generation asset developer	(486.7)	(150.9)
Other investing activities	(12.3)	(5.2)
Net Cash Flows used for Investing Activities	(2,503.3)	(1,682.7)
Financing Activities		
Proceeds from Issuance of long-term debt	1,488.7	345.6
Repayments of long-term debt and finance lease obligations	(24.1)	(52.5)
Change in short-term borrowings, net (maturity ≤ 90 days)	457.8	714.2
Issuance of common stock, net of issuance costs	9.6	9.1
Redemption of preferred stock	(393.9)	—
Preferred stock redemption premium	(6.2)	—
Equity costs, grant withholdings, and debt related costs	(19.3)	(10.1)
Contributions from noncontrolling interest	240.9	—
Distributions to noncontrolling interest	(12.0)	(4.8)
Dividends paid - common stock	(310.1)	(286.0)
Dividends paid - preferred stock	(35.7)	(35.7)
Contract liability payment	(49.9)	(49.6)
Payment of financing obligation to renewable generation asset developer	(347.2)	—
Net Cash Flows from Financing Activities	998.6	630.2
Change in cash, cash equivalents and restricted cash	31.2	(16.3)
Cash, cash equivalents and restricted cash at beginning of period	75.4	94.9
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 106.6	\$ 78.6

Reconciliation to Balance Sheet

Nine Months Ended September 30, (in millions)	2023
Cash and cash equivalents	56.0
Restricted Cash	50.6
Total Cash, Cash Equivalents and Restricted Cash	106.6

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

Supplemental Disclosures of Cash Flow Information

Nine Months Ended September 30, <i>(in millions)</i>	2023	2022
Non-cash transactions:		
Capital expenditures included in current liabilities	\$ 389.0	\$ 280.4
Dividends declared but not paid	111.9	115.0
Purchase contract liability ⁽¹⁾	16.4	81.1

⁽¹⁾ Refer to Note 5, "Equity," for additional information

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of July 1, 2023	\$ 4.2	\$ 1,152.6	\$ (99.9)	\$ 7,383.1	\$(1,173.8)	\$ (35.8)	\$ 341.0	\$ 7,571.4
Comprehensive Income:								
Net income	—	—	—	—	85.1	—	13.3	98.4
Other comprehensive loss, net of tax	—	—	—	—	—	(1.1)	—	(1.1)
Dividends:								
Common stock (\$0.25 per share)	—	—	—	—	(103.8)	—	—	(103.8)
Preferred stock (See Note 5)	—	—	—	—	(8.1)	—	—	(8.1)
Contributions from noncontrolling interest ⁽²⁾	—	—	—	—	—	—	204.6	204.6
Distributions to noncontrolling interests	—	—	—	—	—	—	(2.0)	(2.0)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.5	—	—	—	1.5
Long-term incentive plan	—	—	—	6.0	—	—	—	6.0
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
Balance as of September 30, 2023	\$ 4.2	\$ 1,152.6	\$ (99.9)	\$ 7,393.0	\$(1,200.6)	\$ (36.9)	\$ 556.9	\$ 7,769.3

⁽¹⁾ See Note 5, "Equity," for additional information.

⁽²⁾ Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the substantial completion closing of Dunns Bridge I of \$0.2 million and Indiana Crossroads Solar of \$1.1 million.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2023	\$ 4.2	\$ 1,546.5	\$ (99.9)	\$ 7,375.3	\$(1,213.6)	\$ (37.1)	\$ 326.4	\$ 7,901.8
Comprehensive Income:								
Net income	—	—	—	—	476.9	—	5.6	482.5
Other comprehensive income, net of tax	—	—	—	—	—	0.2	—	0.2
Dividends:								
Common stock (\$1.00 per share)	—	—	—	—	(413.9)	—	—	(413.9)
Preferred stock (See Note 5)	—	—	—	—	(43.8)	—	—	(43.8)
Preferred stock redemption	—	(393.9)	—	—	—	—	—	(393.9)
Preferred stock redemption premium	—	—	—	—	(6.2)	—	—	(6.2)
Contributions from noncontrolling interest ⁽²⁾	—	—	—	—	—	—	236.9	236.9
Distributions to noncontrolling interests	—	—	—	—	—	—	(12.0)	(12.0)
Stock issuances:								
Employee stock purchase plan	—	—	—	4.3	—	—	—	4.3
Long-term incentive plan	—	—	—	5.9	—	—	—	5.9
401(k) and profit sharing	—	—	—	7.5	—	—	—	7.5
Balance as of September 30, 2023	\$ 4.2	\$ 1,152.6	\$ (99.9)	\$ 7,393.0	\$(1,200.6)	\$ (36.9)	\$ 556.9	\$ 7,769.3

⁽¹⁾ See Note 5, "Equity," for additional information.

⁽²⁾ Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the mechanical completion closing of Dunns Bridge I of \$2.7 million. Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the substantial completion closing of Dunns Bridge I of \$0.2 million and Indiana Crossroads Solar of \$1.1 million.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of July 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,218.6	\$ (1,408.9)	\$ (35.8)	\$ 315.8	\$ 7,540.4
Comprehensive Income:								
Net income (loss)	—	—	—	—	65.8	—	(2.3)	63.5
Other comprehensive income, net of tax	—	—	—	—	—	12.3	—	12.3
Dividends:								
Common stock (\$0.24 per share)	—	—	—	—	(95.6)	—	—	(95.6)
Preferred stock (See Note 5)	—	—	—	—	(19.4)	—	—	(19.4)
Distributions to noncontrolling interest	—	—	—	—	—	—	(1.7)	(1.7)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	2.6	—	—	—	2.6
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
ATM program	—	—	—	(0.1)	—	—	—	(0.1)
Balance as of September 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,224.8	\$ (1,458.1)	\$ (23.5)	\$ 311.8	\$ 7,505.7

⁽¹⁾ See Note 5, "Equity," for additional information.

<i>(in millions)</i>	Common Stock	Preferred Stock ⁽¹⁾	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,204.3	\$ (1,580.9)	\$ (126.8)	\$ 325.6	\$ 7,272.9
Comprehensive Income:								
Net income (loss)	—	—	—	—	559.6	—	(9.0)	550.6
Other comprehensive income, net of tax	—	—	—	—	—	103.3	—	103.3
Dividends:								
Common stock (\$0.94 per share)	—	—	—	—	(381.7)	—	—	(381.7)
Preferred stock (See Note 5)	—	—	—	—	(55.1)	—	—	(55.1)
Distributions to noncontrolling interest	—	—	—	—	—	—	(4.8)	(4.8)
Stock issuances:								
Employee stock purchase plan	—	—	—	3.8	—	—	—	3.8
Long-term incentive plan	—	—	—	9.5	—	—	—	9.5
401(k) and profit sharing	—	—	—	7.3	—	—	—	7.3
ATM program	—	—	—	(0.1)	—	—	—	(0.1)
Balance as of September 30, 2022	\$ 4.1	\$ 1,546.5	\$ (99.9)	\$ 7,224.8	\$ (1,458.1)	\$ (23.5)	\$ 311.8	\$ 7,505.7

⁽¹⁾ See Note 5, "Equity," for additional information.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of July 1, 2023	903	417,112	(3,963)	413,149
Issued:				
Employee stock purchase plan	—	54	—	54
Long-term incentive plan	—	33	—	33
401(k) and profit sharing	—	89	—	89
Redeemed:				
Preferred Stock	—	—	—	—
Balance as of September 30, 2023	903	417,288	(3,963)	413,325

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2023	1,303	416,106	(3,963)	412,143
Issued:				
Employee stock purchase plan	—	155	—	155
Long-term incentive plan	—	754	—	754
401(k) and profit sharing	—	273	—	273
Redeemed:				
Preferred Stock	(400)	—	—	—
Balance as of September 30, 2023	903	417,288	(3,963)	413,325

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of July 1, 2022	1,303	409,841	(3,963)	405,878
Issued:				
Employee stock purchase plan	—	46	—	46
Long-term incentive plan	—	45	—	45
401(k) and profit sharing	—	81	—	81
Balance as of September 30, 2022	1,303	410,013	(3,963)	406,050

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2022	1,303	409,266	(3,963)	405,303
Issued:				
Employee stock purchase plan	—	129	—	129
Long-term incentive plan	—	373	—	373
401(k) and profit sharing	—	245	—	245
Balance as of September 30, 2022	1,303	410,013	(3,963)	406,050

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

[Table of Contents](#)

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, 2022. 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 Adopted Accounting Pronouncements

In August 2023, the 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 are currently evaluating the impact of this pronouncement on the formation of future joint ventures.

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties 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):

Three Months Ended September 30, 2023 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other	Total
Customer Revenues⁽¹⁾				
Residential	\$ 351.7	\$ 176.0	\$ —	\$ 527.7
Commercial	108.5	156.6	—	265.1
Industrial	46.3	115.9	—	162.2
Off-system	9.8	—	—	9.8
Miscellaneous	8.6	29.2	—	37.8
Total Customer Revenues	\$ 524.9	\$ 477.7	\$ —	\$ 1,002.6
Other Revenues	3.6	21.0	0.2	24.8
Total Operating Revenues	\$ 528.5	\$ 498.7	\$ 0.2	\$ 1,027.4

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Three Months Ended September 30, 2022 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other ⁽⁴⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 330.1	\$ 178.8	\$ —	\$ 508.9
Commercial	114.6	158.9	—	273.5
Industrial	42.6	151.9	—	194.5
Off-system	72.7	—	—	72.7
Miscellaneous	7.3	1.3	—	8.6
Total Customer Revenues	\$ 567.3	\$ 490.9	\$ —	\$ 1,058.2
Other Revenues	5.1	25.4	0.8	31.3
Total Operating Revenues	\$ 572.4	\$ 516.3	\$ 0.8	\$ 1,089.5

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

⁽⁴⁾Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Nine months ended September 30, 2023 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,789.3	\$ 449.2	\$ —	\$ 2,238.5
Commercial	621.2	437.6	—	1,058.8
Industrial	169.3	362.7	—	532.0
Off-system	49.9	—	—	49.9
Miscellaneous	38.7	48.0	—	86.7
Total Customer Revenues	\$ 2,668.4	\$ 1,297.5	\$ —	\$ 3,965.9
Other Revenues	54.2	62.7	0.6	117.5
Total Operating Revenues	\$ 2,722.6	\$ 1,360.2	\$ 0.6	\$ 4,083.4

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

Nine months ended September 30, 2022 (in millions)	Gas Distribution Operations ⁽²⁾	Electric Operations ⁽³⁾	Corporate and Other ⁽⁴⁾	Total
Customer Revenues⁽¹⁾				
Residential	\$ 1,772.0	\$ 454.3	\$ —	\$ 2,226.3
Commercial	631.7	428.1	—	1,059.8
Industrial	158.5	420.4	—	578.9
Off-system	150.5	—	—	150.5
Miscellaneous	29.9	9.6	—	39.5
Total Customer Revenues	\$ 2,742.6	\$ 1,312.4	\$ —	\$ 4,055
Other Revenues	7.6	71.1	12.3	91.0
Total Operating Revenues	\$ 2,750.2	\$ 1,383.5	\$ 12.3	\$ 4,146.0

⁽¹⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽²⁾Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.

⁽³⁾Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

⁽⁴⁾Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

[Table of Contents](#)

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 nine months ended September 30, 2023 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 Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2022	\$ 560.5	\$ 453.0
Balance as of September 30, 2023	336.6	198.3

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.

[Table of Contents](#)

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 September 30, 2023 and December 31, 2022 are presented in the table below:

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2023	\$ 17.2	\$ 5.9	\$ 0.8	\$ 23.9
Current period provisions	22.4	4.7	—	27.1
Write-offs charged against allowance	(43.9)	(4.3)	—	(48.2)
Recoveries of amounts previously written off	12.5	0.3	—	12.8
Balance as of September 30, 2023	\$ 8.2	\$ 6.6	\$ 0.8	\$ 15.6

<i>(in millions)</i>	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2022	\$ 18.9	\$ 3.8	\$ 0.8	\$ 23.5
Current period provisions	29.1	6.9	—	36.0
Write-offs charged against allowance	(52.1)	(5.3)	—	(57.4)
Recoveries of amounts previously written off	21.3	0.5	—	21.8
Balance as of December 31, 2022	\$ 17.2	\$ 5.9	\$ 0.8	\$ 23.9

4. 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 purposes of determining diluted EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three and nine months ended September 30, 2023 and 2022 using the if-converted method under US GAAP. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the stock price falls below the initial reference price of \$24.51, subject to anti-dilution adjustments, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the stock price is above the initial reference price of \$24.51, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment is reflected in the calculation of diluted EPS for interest expense incurred for the three and nine months ended September 30, 2023 and 2022 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which requires us to assume share settlement of the remaining purchase contract payment balance from our Equity Units based on the average share price during the period.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of September 30, 2023 and 2022, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three and nine months ended September 30, 2023 and 2022.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive.

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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

During 2022, we had no outstanding securities other than common and preferred stock, which required holders' participation in dividends and earnings; therefore, we were not required to calculate EPS under the two-class method. Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by giving effect to all potential shares of common stock, to the extent they are dilutive.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(in millions, except per share amounts)</i>				
Numerator:				
Net Income Available to Common Shareholders	\$ 77.0	\$ 52.0	\$ 436.1	\$ 518.2
Less: Income allocated to participating securities	0.1	—	0.3	—
Net Income Available to Common Shareholders - Basic	76.9	52.0	435.8	518.2
Add: Dilutive effect of Equity Units	0.4	0.5	1.2	1.5
Net Income Available to Common Shareholders - Diluted	\$ 77.3	\$ 52.5	\$ 437.0	\$ 519.7
Denominator:				
Average common shares outstanding - Basic	413.5	406.5	413.2	406.3
Dilutive potential common shares:				
Equity Units purchase contracts	33.1	31.3	31.9	29.4
Equity Units purchase contract payment balance	0.6	3.0	1.2	3.4
Shares contingently issuable under employee stock plans	0.7	0.9	0.7	1.0
Shares restricted under employee stock plans	0.4	0.6	0.4	0.5
ATM forward agreements	—	1.1	—	1.1
Average Common Shares - Diluted	448.3	443.4	447.4	441.7
Earnings per common share:				
Basic	\$ 0.19	\$ 0.13	\$ 1.05	\$ 1.28
Diluted	\$ 0.17	\$ 0.12	\$ 0.98	\$ 1.18

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

5. Equity

ATM Program. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of \$750.0 million of our common stock. As of September 30, 2023, the ATM program had approximately \$300.0 million of equity available for issuance. The program expires on December 31, 2023. There are no outstanding forward agreements as of September 30, 2023.

Preferred Stock. As of September 30, 2023, we had 20,000,000 shares of preferred stock authorized for issuance, of which 902,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

	Three Months Ended		Nine Months		September		December 31,	
	September 30,		Ended		30,		December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>(in millions except shares and per share amounts)</i>								
	Liquidation Preference Per Share	Shares	Dividends Declared Per Share ⁽²⁾				Outstanding	
5.650% Series A	\$ 1,000.00	—	—	28.25	28.25	56.50	\$ —	\$ 393.9
6.500% Series B	\$ 25,000.00	20,000	406.25	406.25	1,625.00	1,625.00	\$ 486.1	\$ 486.1
Series C ⁽¹⁾	\$ 1,000.00	862,500	—	—	—	—	\$ 666.5	\$ 666.5

⁽¹⁾The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock.

⁽²⁾Dividend declared per share for the nine months ended September 30, 2023 reflects the dividend declared on the Series A Preferred Stock on March 14, 2023. The dividend was paid on June 15, 2023.

In addition, 20,000 shares of Series B–1 Preferred Stock, par value \$0.01 per share, were outstanding as of September 30, 2023. Holders of Series B–1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B–1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption, or repurchase of the underlying Series B Preferred Stock. As of September 30, 2023 and 2022, Series B Preferred Stock had \$1.4 million of cumulative preferred dividends in arrears, or \$72.23 per share.

As of September 30, 2022, Series A Preferred Stock had \$6.7 million of cumulative preferred dividends in arrears, or \$16.63 per share. 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. Following the redemption, dividends ceased to accrue on such shares of Series A Preferred Stock, the shares of Series A Preferred Stock are no longer deemed outstanding and all rights of the holders of the shares of Series A Preferred Stock were terminated. In conjunction with the redemption, we recorded a \$6.2 million preferred stock redemption premium, calculated as the difference between the carrying value on the redemption date of the Series A Preferred Stock and the total amount of consideration paid to redeem, which was recorded as a reduction to retained earnings during the second quarter of 2023. Since we are obligated to issue common stock under the Equity Units purchase contracts upon successful remarketing by the end of 2023, we did not recognize an excise tax liability, under the IRA, in connection with this redemption.

In June 2023, 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 A Preferred Stock. As a result, the 400,000 shares that were previously designated as Series A 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.

Equity Units. On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of Corporate Units, each with a stated amount of \$100. The offering generated net proceeds of \$835.5 million, after underwriting and issuance expenses. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

Selected information about the Equity Units at the issuance date is presented below:

<i>(in millions except contract rate)</i>	Issuance Date	Units Issued	Total Net Proceeds ⁽¹⁾	Purchase Contract Annual Rate	Purchase Contract Liability
Equity Units	April 19, 2021	8.625	\$ 835.5	7.75 %	\$ 168.8

⁽¹⁾Issuance costs of \$27.0 million were recorded on a relative fair value basis as a reduction to preferred stock of \$22.5 million and a reduction to the purchase contract liability of \$4.5 million.

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is \$100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred Stock were pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

The Series C Mandatory Convertible Preferred Stock is required to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We pay quarterly contract adjustment payments at the rate of 7.75% per year on the stated amount of \$100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments have been paid, we will not declare or pay any dividends on, or make any distributions on, or redeem, purchase or acquire, or make a liquidation payment with respect to, any shares of our capital stock; make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that rank on parity with, or junior to, the contract adjustment payments; or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the contract adjustment payments. As of September 30, 2023, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of September 30, 2023 and December 31, 2022 the purchase contract liability, net of issuance costs, was \$16.4 million and \$65.0 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of \$50.1 million were made during both nine month periods ended September 30, 2023 and 2022.

The Series C Mandatory Convertible Preferred Stock and forward purchase contracts are legally detachable and separately exercisable, however, due to the economic linkage between the forward purchase contract and the Series C Mandatory Convertible Preferred Stock, we have concluded that the ability to separate the Corporate Units is non-substantive. Accordingly, we are accounting for the Corporate Units as a single unit of account. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock. This liability is included in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).

Refer to Note 4, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million. Had we settled the remaining purchase contract payment balance in shares at September 30, 2023, we would have issued approximately 0.6 million shares.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

6. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas agreed to change the depreciation methodology for its calculation of depreciation rates, which reduces depreciation expense and subsequent revenues and cash flows. An order was received on July 27, 2022 approving the settlement and rates were effective as of September 1, 2022. As part of the NIPSCO Electric base rate case and the Stipulation and Settlement Agreement filed on March 10, 2023, NIPSCO Electric agreed to change the depreciation methodology for its calculation of depreciation rates, which will reduce depreciation expense and subsequent revenues and cash flows. An order was received on August 2, 2023 approving the settlement, and rates were effective as of August 4, 2023. On October 11, 2023, the IURC issued an order clarifying how the rate increase should have been implemented, holding that the new rates should have only applied to electric usage on or after August 4, 2023, and not for electric usage prior to that date for bills yet to be rendered. NIPSCO was ordered to make a filing reflecting the calculation of the refund to customers by November 10, 2023. The refund amount was reserved for an estimated \$12.4 million plus accrued interest.

Columbia of Ohio regulatory filing update

Columbia of Ohio's base rate case was filed on June 30, 2021, requesting a net rate increase of approximately 21.3% or \$221.4 million increase in revenue per year. The case was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. On October 31, 2022, Columbia of Ohio filed a joint stipulation and recommendation with certain parties to settle the base rate case. On January 26, 2023, the PUCO modified and approved the joint stipulation and recommendation, and Columbia of Ohio placed rates into effect on March 1, 2023. Applications for Rehearing were filed by the three parties who opposed certain rate design and energy efficiency assistance components of the joint stipulation and recommendation, which was granted for further consideration by the PUCO on March 22, 2023.

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 of Consolidated Income (unaudited). NiSource recorded a decrease to depreciation expense of \$19.0 million and \$9.7 million for the three and nine months ended September 30, 2023. We recorded a decrease to depreciation expense of \$2.2 million and an increase to depreciation expense of \$4.5 million respectively, for the three and nine months ended September 30, 2022. 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 11, "Variable Interest Entities," for additional information.

7. 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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

<i>(in millions)</i>	September 30, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current⁽¹⁾				
Derivatives not designated as hedging instruments	\$ 3.7	\$ 1.8	\$ 18.8	\$ 1.1
Total	\$ 3.7	\$ 1.8	\$ 18.8	\$ 1.1
Noncurrent⁽²⁾				
Derivatives not designated as hedging instruments	\$ 34.7	\$ 1.4	\$ 66.0	\$ 1.9
Total	\$ 34.7	\$ 1.4	\$ 66.0	\$ 1.9

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

⁽²⁾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 September 30, 2023. 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 \$35.2 million and \$81.8 million at September 30, 2023 and December 31, 2022, 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 quarterly GCA mechanism.

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 September 30, 2023 and December 31, 2022, we had 85.2 MMDth and 99.0 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 September 30, 2023, the remaining terms of these instruments range from one to four years.

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>	September 30, 2023	December 31, 2022
Regulatory Assets		
Losses on commodity price risk programs	\$ 15.6	\$ 10.0
Regulatory Liabilities		
Gains on commodity price risk programs	39.0	90.0

Our derivative instruments measured at fair value as of September 30, 2023 and December 31, 2022 do not contain any credit-risk-related contingent features.

The net gain related to multiple of our 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 and nine months ended September 30, 2023 and 2022 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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

immaterial. Amortization will continue for 344 months. See Note 15, "Accumulated Other Comprehensive Loss," for additional information.

8. 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 September 30, 2023 and December 31, 2022:

Recurring Fair Value Measurements September 30, 2023 <i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of September 30, 2023
Assets				
Risk management assets	\$ —	\$ 38.4	\$ —	\$ 38.4
Available-for-sale debt securities	—	161.9	—	161.9
Total	\$ —	\$ 200.3	\$ —	\$ 200.3
Liabilities				
Risk management liabilities	\$ —	\$ 3.2	\$ —	\$ 3.2
Total	\$ —	\$ 3.2	\$ —	\$ 3.2

Recurring Fair Value Measurements December 31, 2022 <i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2022
Assets				
Risk management assets	\$ —	\$ 84.8	\$ —	\$ 84.8
Available-for-sale debt securities	—	151.6	—	151.6
Total	\$ —	\$ 236.4	\$ —	\$ 236.4
Liabilities				
Risk management liabilities	\$ —	\$ 3.0	\$ —	\$ 3.0
Total	\$ —	\$ 3.0	\$ —	\$ 3.0

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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.

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 September 30, 2023 and December 31, 2022, 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 has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its 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 7, "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 September 30, 2023 and December 31, 2022, we have \$0.9 million and \$0.9 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at September 30, 2023 and December 31, 2022 were:

September 30, 2023 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 69.0	\$ —	\$ (5.0)	\$ —	\$ 64.0
Corporate/Other debt securities	109.2	—	(10.4)	(0.9)	97.9
Total	\$ 178.2	\$ —	\$ (15.4)	\$ (0.9)	\$ 161.9

December 31, 2022 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	\$ 67.7	\$ —	\$ (4.5)	\$ —	\$ 63.2
Corporate/Other debt securities	99.0	—	(9.7)	(0.9)	88.4
Total	\$ 166.7	\$ —	\$ (14.2)	\$ (0.9)	\$ 151.6

⁽¹⁾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 \$59.2 million and \$92.3 million, respectively, at September 30, 2023.

⁽²⁾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 \$61.0 million and \$85.5 million, respectively, at December 31, 2022.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were \$0.6 million at September 30, 2023. Realized gains and losses on available-for-sale securities were immaterial at December 31, 2022.

At September 30, 2023, approximately \$11.9 million of U.S. Treasury debt securities and approximately \$3.1 million of Corporate/Other debt securities have maturities of less than a year.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including 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.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity," for additional information.

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 September 30, 2023, 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 Amount as of September 30, 2023	Estimated Fair Value as of September 30, 2023	Carrying Amount as of Dec. 31, 2022	Estimated Fair Value as of Dec. 31, 2022
Long-term debt (including current portion)	\$ 11,038.1	\$ 9,589.2	\$ 9,553.6	\$ 8,479.4

9. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2023 and 2022 applied to year-to-date pretax income, adjusted for tax expense associated with certain discrete items. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss. The effective tax rates for the three months ended September 30, 2023 and 2022 were 3.7% and 15.6%, respectively. The effective tax rates for the nine months ended September 30, 2023 and 2022 were 17.7% and 17.9%, 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 11.9% in 2023 compared to 2022 is primarily attributed to decreases in renewable partnership income, partially offset by lower amortization of excess deferred federal income tax liabilities.

The decrease in the nine month effective tax rate of 0.2% in 2023 compared to 2022 is primarily attributed to the jurisdictional mix of pre-tax book income.

As of September 30, 2023, 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 11 to the Company's Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2022, for a discussion of these unrecognized tax benefits.

10. 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 nine months ended September 30, 2023, we contributed \$2.6 million to our pension plans and \$16.7 million to our OPEB plans.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and nine months ended September 30, 2023 and 2022:

Three Months Ended September 30, (in millions)	Pension Benefits		OPEB	
	2023	2022	2023	2022
Components of Net Periodic Benefit Cost⁽¹⁾				
Service cost	\$ 5.1	\$ 6.8	\$ 1.3	\$ 1.6
Interest cost	17.1	10.7	5.4	3.0
Expected return on assets	(23.6)	(22.6)	(3.8)	(4.0)
Amortization of prior service credit	—	—	(0.5)	(0.6)
Recognized actuarial loss	8.4	5.6	0.8	0.7
Settlement loss	7.4	3.0	—	—
Total Net Periodic Benefit Cost	\$ 14.4	\$ 3.5	\$ 3.2	\$ 0.7

⁽¹⁾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).

Nine Months Ended September 30, (in millions)	Pension Benefits		OPEB	
	2023	2022	2023	2022
Components of Net Periodic Benefit Cost⁽¹⁾				
Service cost	\$ 15.3	\$ 20.9	\$ 3.9	\$ 4.8
Interest cost	51.3	29.9	16.3	9.0
Expected return on assets	(70.8)	(68.3)	(11.4)	(12.0)
Amortization of prior service credit	—	—	(1.5)	(1.8)
Recognized actuarial loss	25.2	14.9	2.4	2.1
Settlement loss	7.5	9.3	—	—
Total Net Periodic Benefit Cost	\$ 28.5	\$ 6.7	\$ 9.7	\$ 2.1

⁽¹⁾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).

During the third quarter of 2023, the requirements for settlement accounting were met for two of our pension plans, resulting in a settlement charge of \$7.4 million for the three months ended September 30, 2023, and \$7.5 million for the nine months ended September 30, 2023.

11. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO owns and operates two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO also owns two solar facilities, Indiana Crossroads Solar and Dunns Bridge I, which went into service in June 2023, with a combined 465 MW of nameplate capacity. During August 2023, NIPSCO and the tax equity partner made final cash contributions in accordance with the equity capital contribution agreement. In August 2023, Indiana Crossroads Solar and Dunns Bridge I reached substantial completion, resulting in NIPSCO making a combined \$307.2 million in developer payments. 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. For the two wind facilities, NIPSCO assumed an obligation to the developers of each facility, representing the remaining economic interest. NIPSCO resolved this obligation by acquiring the developers' economic interests in June 2023 for \$389.2 million. 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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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 in service 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.

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

<i>(in millions)</i>	September 30, 2023	December 31, 2022
Net Property, Plant and Equipment	\$ 1,338.6	\$ 978.5
Current assets	65.5	25.7
Total assets⁽¹⁾	1,404.1	1,004.2
Current liabilities	41.0	128.2
Asset retirement obligations	55.0	30.6
Total liabilities	\$ 96.0	\$ 158.8

⁽¹⁾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.

12. Long-Term Debt

On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs.

On June 8, 2023, we completed the issuance and sale of an additional \$300.0 million of 5.25% senior unsecured notes maturing in 2028 (the "2028 Notes"). The terms of the 2028 Notes, other than the issue date and the price to the public, are identical to the terms of, and constitute as a reopening of, our 5.25% senior unsecured notes due 2028 issued on March 24, 2023. With the incremental issuance, we now have \$1.05 billion of 5.25% senior unsecured notes maturing in 2028. On June 8, 2023, we also completed the issuance and sale of \$450.0 million of 5.40% senior unsecured notes maturing in 2033. These issuances resulted in approximately \$742.5 million of total net proceeds after discount and debt issuance costs.

13. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreement. 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 September 30, 2023 and December 31, 2022.

Commercial Paper Program. Our commercial paper program has a program limit of up to \$1.5 billion. We had \$935.0 million and \$415.0 million of commercial paper outstanding with weighted-average interest rates of 5.58% and 4.60% as of September 30, 2023 and December 31, 2022, 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 wholly owned and consolidated special purpose entities. The three agreements expire between May 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 September 30, 2023, the maximum amount of debt that could be borrowed related to our accounts receivable programs was \$295.6 million.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

We had \$285.0 million and \$347.2 million of short-term borrowings related to the securitization transactions as of September 30, 2023 and December 31, 2022, respectively.

For the nine months ended September 30, 2023, \$62.2 million was recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. For the nine months ended September 30, 2022, \$318.2 million was recorded as cash flows from financing activities related to the change in short-term borrowings due to securitization transactions. Fees associated with the securitization transactions were \$0.5 million and \$0.7 million for the three months ended September 30, 2023 and 2022, respectively and \$2.1 million and \$1.7 million for the nine months ended September 30, 2023 and 2022, 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 Agreement. On December 20, 2022, we entered into a \$1.0 billion term credit agreement with a syndicate of banks. On October 5, 2023, we entered into an amendment with the syndicate of banks to, among other things, extend the maturity date of the agreement from December 19, 2023 to March 15, 2024. With the amendment, we triggered extinguishment accounting and will record an immaterial loss on extinguishment of debt in the fourth quarter of 2023. Interest charged on the borrowings depends on the variable rate structure elected at the time of each borrowing. The available variable rate structures from which we can choose are defined in the agreement. Under the agreement, we borrowed \$1.0 billion on December 20, 2022 with an interest rate of SOFR plus 105 basis points. We had \$1.0 billion outstanding under this agreement with interest rates of 6.37% and 5.37% as of September 30, 2023 and December 31, 2022, respectively.

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

14. 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 September 30, 2023 and December 31, 2022, we had issued stand-by letters of credit of \$9.9 million and \$10.2 million, respectively, for the benefit of third parties.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At September 30, 2023 and December 31, 2022, our guarantees for multiple BTAs totaled \$642.4 million and \$841.6 million, respectively. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- D. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings. 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. 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.

Private Actions. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover, and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident"). There continue to be asserted wrongful death and bodily injury claims as it relates to the Greater Lawrence Incident. We continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

FERC Investigation. In April 2022, NIPSCO was notified that the FERC Office of Enforcement ("OE") is conducting an investigation of an industrial customer for allegedly manipulating the MISO Demand Response ("DR") market. The customer and NIPSCO are cooperating with the investigation. It is probable that the OE will require the customer to repay certain DR revenues received from MISO, and will require NIPSCO to disgorge administrative fees and foregone margin charges that NIPSCO collected pursuant to its own IURC-approved tariff. The investigation remains ongoing. NIPSCO currently estimates the maximum amount of its disgorgement exposure to be \$7.7 million which will be returned to customers. As of September 30, 2023, NIPSCO expects to recover more than 50% of that amount.

Other Legal 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, none of which we believe to be individually material at this time.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

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 September 30, 2023 and December 31, 2022, we had recorded a liability of \$82.7 million and \$86.5 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 Gas Distribution Operations 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 completed an annual refresh of the model in the second quarter. No material changes to the estimated future remediation costs were noted as a result of an internal quarterly review of environmental reserves completed as of September 30, 2023. Our total estimated liability related to the facilities subject to remediation was \$77.7 million and \$81.0 million at September 30, 2023 and December 31, 2022, 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.

CCRs. NIPSCO continues to meet the compliance requirements established by the EPA for the regulation of CCRs. The current CCR rule 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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

D. Other Matters. Generation Transition. 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. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC and timely completion of construction. NIPSCO and the tax equity partner, where applicable, for each respective BTA, are obligated to make cash contributions to acquire the project at the date construction is substantially complete. Certain BTA agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones.

Proposed Sale of 19.9% Equity Interest in Northern Indiana Public Service Company LLC. On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II LLC, a Delaware limited liability company ("NIPSCO Holdings II"), entered into a purchase and sale agreement (the "BIP Purchase Agreement") with BIP BLUE BUYER L.L.C., an affiliate of BIP. NIPSCO Holdings II is the 100% owner of all issued and outstanding membership interests of NIPSCO. NIPSCO Holdings II is a wholly-owned subsidiary of NIPSCO Holdings I LLC ("NIPSCO Holdings I"), which is a wholly-owned subsidiary of NiSource. Under the terms of the BIP Purchase Agreement, BIP will acquire newly issued membership interests of NIPSCO Holdings II which will represent a 19.9% ownership in NIPSCO Holdings II at closing, for a purchase price of \$2.150 billion in cash, subject to adjustment based on the timing of closing and the amount of NiSource capital contributions made prior to closing (the "NIPSCO Minority Equity Interest Sale"). At the closing of the NIPSCO Minority Equity Interest Sale, through their respective percentage ownership of NIPSCO Holdings II, NiSource will own an 80.1% controlling interest in NIPSCO, while BIP will own the remaining 19.9% non-controlling interest. The parties currently expect for the NIPSCO Minority Equity Interest Sale to close by the end of 2023. The closing of the NIPSCO Minority Equity Interest Sale is subject to the satisfaction of certain customary closing conditions described in the BIP Purchase Agreement, including receipt of authorization by FERC. FERC approval was received on October 19, 2023.

The BIP Purchase Agreement may be terminated: (i) by mutual written consent of the parties; (ii) by either party if the closing has not occurred on or before one year after the effective date of the BIP Purchase Agreement; (iii) by BIP or NiSource, as the case may be, prior to the closing upon certain material breaches or failures to perform any of the representations, warranties, covenants or agreements by the other party; or (iv) by either party prior to the closing in the event of a final and non-appealable law or order restraining, enjoining or otherwise prohibiting the closing in any competent jurisdiction.

The BIP Purchase Agreement prohibits NIPSCO and NIPSCO Holdings II from paying any dividends or similar distributions to NiSource prior to the closing of the NIPSCO Minority Equity Interest Sale.

Pursuant to the terms of the BIP Purchase Agreement, at closing of the NIPSCO Minority Equity Interest Sale, BIP, NIPSCO Holdings I, NIPSCO Holdings II and NiSource will enter into an Amended and Restated Limited Liability Company Operating Agreement (the "Holdings II LLC Agreement"). The Holdings II LLC Agreement, among other things, provides for ongoing governance, exit rights, additional capital contributions, distributions, and other arrangements for NIPSCO Holdings II from and after the closing of the NIPSCO Minority Equity Interest Sale. As part of the NIPSCO Minority Equity Interest Sale, BIP is committed to funding its pro rata share of ongoing capital requirements, which is supported by a \$250 million equity commitment letter. Upon the closing of the NIPSCO Minority Equity Interest Sale, the board of directors of NIPSCO Holdings II (the "Holdings II Board") will consist of seven directors. The Holdings II LLC Agreement will allow BIP to appoint at least two directors to the Holdings II Board so long as BIP holds at least a 17.5% Percentage Interest (as defined in the Holdings II LLC Agreement). The Holdings II LLC Agreement also contains certain investor protections, including, among other things, requiring BIP approval for NIPSCO Holdings II to take certain major actions. In addition, the Holdings II LLC Agreement will contain certain transfer restrictions and other transfer rights and obligations applicable to both BIP and NiSource.

NiSource intends to use the proceeds from the purchase price and future capital contributions by BIP to support NIPSCO's capital expenditure plans for serving customers, reduce NiSource's debt and fund ongoing capital needs associated with the renewable generation transition.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

15. 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 ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of July 1, 2023	\$ (10.4)	\$ (12.7)	\$ (12.7)	\$ (35.8)
Other comprehensive loss before reclassifications	(1.7)	(0.4)	(0.1)	(2.2)
Amounts reclassified from accumulated other comprehensive loss	—	0.3	0.8	1.1
Net current-period other comprehensive income (loss)	(1.7)	(0.1)	0.7	(1.1)
Balance as of September 30, 2023	\$ (12.1)	\$ (12.8)	\$ (12.0)	\$ (36.9)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2023	\$ (11.2)	\$ (12.6)	\$ (13.3)	\$ (37.1)
Other comprehensive income (loss) before reclassifications	(1.4)	(0.4)	0.2	(1.6)
Amounts reclassified from accumulated other comprehensive loss	0.5	0.2	1.1	1.8
Net current-period other comprehensive income (loss)	(0.9)	(0.2)	1.3	0.2
Balance as of September 30, 2023	\$ (12.1)	\$ (12.8)	\$ (12.0)	\$ (36.9)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of July 1, 2022	\$ (7.5)	\$ (19.5)	\$ (8.8)	\$ (35.8)
Other comprehensive income (loss) before reclassifications	(4.6)	16.2	—	11.6
Amounts reclassified from accumulated other comprehensive loss	0.1	—	0.6	0.7
Net current-period other comprehensive income (loss)	(4.5)	16.2	0.6	12.3
Balance as of September 30, 2022	\$ (12.0)	\$ (3.3)	\$ (8.2)	\$ (23.5)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
Balance as of January 1, 2022	\$ 2.1	\$ (122.5)	\$ (6.4)	\$ (126.8)
Other comprehensive income (loss) before reclassifications	(14.4)	119.1	(3.3)	101.4
Amounts reclassified from accumulated other comprehensive loss	0.3	0.1	1.5	1.9
Net current-period other comprehensive income (loss)	(14.1)	119.2	(1.8)	103.3
Balance as of September 30, 2022	\$ (12.0)	\$ (3.3)	\$ (8.2)	\$ (23.5)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.

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

16. Other, Net

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

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Interest income	\$ 2.7	\$ 2.1	\$ 6.3	\$ 3.6
AFUDC equity	6.0	4.0	15.2	11.0
Pension and other postretirement non-service benefit (cost)	(9.8)	5.3	(18.2)	17.6
Miscellaneous	(0.5)	(1.3)	(1.4)	(2.2)
Total Other, net	\$ (1.6)	\$ 10.1	\$ 1.9	\$ 30.0

17. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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. We use operating income as our primary measurement for each of the reported segments and make 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.

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	\$ 528.5	\$ 572.4	\$ 2,722.6	\$ 2,750.2
Intersegment	3.0	3.1	9.2	9.4
Total	531.5	575.5	2,731.8	2,759.6
Electric Operations				
Unaffiliated	498.7	516.3	1,360.2	1,383.5
Intersegment	0.4	0.2	0.7	0.6
Total	499.1	516.5	1,360.9	1,384.1
Corporate and Other				
Unaffiliated	0.2	0.8	0.6	12.3
Intersegment	121.7	115.3	361.2	349.5
Total	121.9	116.1	361.8	361.8
Eliminations	(125.1)	(118.6)	(371.1)	(359.5)
Consolidated Operating Revenues	\$ 1,027.4	\$ 1,089.5	\$ 4,083.4	\$ 4,146.0
Operating Income (Loss)				
Gas Distribution Operations	\$ 52.2	\$ 33.4	\$ 614.5	\$ 624.8
Electric Operations	175.8	123.3	307.3	295.1
Corporate and Other	5.0	—	11.1	(19.6)
Consolidated Operating Income	\$ 233.0	\$ 156.7	\$ 932.9	\$ 900.3

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	37
Summary of Consolidated Financial Results	39
Results and Discussion of Segment Operations	40
Gas Distribution Operations	41
Electric Operations	44
Liquidity and Capital Resources	48
Regulatory, Environmental and Safety Matters	53
Market Risk Disclosures	56
Other Information	57

[Table of Contents](#)

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, 2022.

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: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for further discussion of our regulated utility 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 conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. 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. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Your Energy, Your Future: Our plan to replace our coal generation capacity by the end of 2028 with primarily renewable resources, initiated through our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, and we are continually adjusting to the dynamic renewable energy landscape. We achieved in service status in June 2023 and substantial completion in August 2023 for our first two solar BTA's. 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 1, 2023, the provisions of the IRA became effective. As a result of the IRA, we have made a filing with the IURC to fully-own two BTA projects in lieu of utilizing tax equity partnerships, and we are evaluating the impact of this legislation on our remaining projects, with potential to drive increased value to customers as part of our expansion of renewable projects and generation transition strategy. For additional information, see "Results and Discussion of Segment Operations - Electric 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 lays out a timeline to retire 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 unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. 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 unit with the IURC. The planned retirement of the two vintage gas peaking units 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.

NIPSCO Minority Equity Interest Sale: On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II, entered into the BIP Purchase Agreement with an affiliate of BIP, pursuant to which BIP will acquire an indirect 19.9 percent equity interest in NIPSCO. Refer to Note 14, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on this transaction.

[Table of Contents](#)

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

NiSource Inc.

Transformation: Our enterprise-wide transformation roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We are currently executing on several initiatives that will enable us to streamline work and improve logistics company-wide. These efforts will 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 the initiatives under the Enterprise-wide Transformation Roadmap will prioritize safety and continue to optimize our long-term growth profile.

Economic Environment: We continue to monitor risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of 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 delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion. Additionally, for more information on global availability of materials for our renewable projects, see "Results and Discussion of Segment Operations - Electric Operations - Electric Supply and Generation Transition."

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 appeal 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.

After decreasing for the first three months of 2023, the market price of natural gas has stabilized at low levels, compared to 2022 prices, with little volatility. Changes in gas prices do not have a material impact on our results of operations, however higher natural gas prices can impact our cash flows and liquidity. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and "Market Risk Disclosures."

Due to rising interest rates, we experienced higher interest expense for the three and nine months periods ended September 30, 2023 compared to the same periods in 2022 associated with short-term borrowings. 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".

[Table of Contents](#)

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 and nine months ended September 30, 2023 and 2022 are presented below:

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 1,027.4	\$ 1,089.5	\$ (62.1)	\$ 4,083.4	\$ 4,146.0	\$ (62.6)
Operating Expenses						
Cost of energy	181.3	330.8	149.5	1,198.3	1,421.2	222.9
Other Operating Expenses	613.1	602.0	(11.1)	1,952.2	1,824.5	(127.7)
Total Operating Expenses	794.4	932.8	138.4	3,150.5	3,245.7	95.2
Operating Income	233.0	156.7	76.3	932.9	900.3	32.6
Total Other Deductions, Net	(130.8)	(81.5)	(49.3)	(346.7)	(229.8)	(116.9)
Income Taxes	3.8	11.7	7.9	103.7	119.9	16.2
Net Income	98.4	63.5	34.9	482.5	550.6	(68.1)
Net income (loss) attributable to noncontrolling interest	13.3	(2.3)	(15.6)	5.6	(9.0)	(14.6)
Net Income Attributable to NiSource	85.1	65.8	19.3	476.9	559.6	(82.7)
Preferred dividends	(8.1)	(13.8)	5.7	(40.8)	(41.4)	0.6
Net Income Available to Common Shareholders	77.0	52.0	25.0	436.1	518.2	(82.1)
Earnings Per Share						
Basic Earnings Per Share	\$ 0.19	\$ 0.13	\$ 0.06	1.05	\$ 1.28	\$ (0.23)
Diluted Earnings Per Share	\$ 0.17	\$ 0.12	\$ 0.05	\$ 0.98	\$ 1.18	\$ (0.20)

The majority of the cost of energy in both 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 September 30, 2023 was primarily due to higher revenues, net of cost of energy, driven by rate increases from regulatory initiatives.

The decrease in net income available to common shareholders for the nine months ended September 30, 2023 is driven by the receipt of the insurance settlement related to the Greater Lawrence Incident received in 2022, as well as increased other deductions, partially offset by higher net revenues driven by rate increases from regulatory initiatives.

The decrease in preferred dividends for the three and nine months ended September 30, 2023 was due primarily to the redemption of Series A Preferred Stock in the second quarter 2023. See Note 5, "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 Gas and Electric Operations in this Management's Discussion.

Other Deductions, net

The change in Other deductions, net for the three and nine months ended September 30, 2023 compared to the same period in 2022 is primarily driven by higher long-term and short-term debt interest in 2023 and higher non-service pension costs. See Note 12, "Long-Term Debt," Note 13, "Short-Term Borrowings," and Note 10, "Pension and Other Postemployment Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 9, "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 risks related to the implementation of any final or proposed tax regulations related to the IRA.

On April 14, 2023, the IRS issued Revenue Procedure 2023-15 which provides a safe harbor method of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve linear property and non-linear natural

[Table of Contents](#)

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

NiSource Inc.

gas transmission and distribution property must be capitalized as improvements or are allowable as deductions. We continue to analyze the provisions of the safe harbor method of accounting which we expect to adopt.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating 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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three and nine months ended September 30, 2023 and 2022 are presented below.

<i>(in millions)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 531.5	\$ 575.5	\$ (44.0)	\$ 2,731.8	\$ 2,759.6	\$ (27.8)
Operating Expenses						
Cost of energy	72.1	158.0	85.9	823.1	1,000.5	177.4
Operation and maintenance	241.0	237.0	(4.0)	789.5	774.1	(15.4)
Depreciation and amortization	118.1	104.3	(13.8)	343.8	307.2	(36.6)
Gain on sale of fixed assets and impairments, net	—	—	—	—	(105.0)	(105.0)
Other taxes	48.1	42.8	(5.3)	160.9	158.0	(2.9)
Total Operating Expenses	479.3	542.1	62.8	2,117.3	2,134.8	17.5
Operating Income	\$ 52.2	\$ 33.4	\$ 18.8	\$ 614.5	\$ 624.8	\$ (10.3)
Revenues						
Residential	\$ 352.7	\$ 332.3	\$ 20.4	\$ 1,828.7	\$ 1,772.7	\$ 56.0
Commercial	108.9	115.5	(6.6)	627.4	634.3	(6.9)
Industrial	46.4	42.9	3.5	169.6	159.3	10.3
Off-System	9.8	72.7	(62.9)	49.9	150.5	(100.6)
Other	13.7	12.1	1.6	56.2	42.8	13.4
Total	\$ 531.5	\$ 575.5	\$ (44.0)	\$ 2,731.8	\$ 2,759.6	\$ (27.8)
Sales and Transportation (MMDth)						
Residential	12.4	13.6	(1.2)	145.6	169.8	(24.2)
Commercial	17.9	17.7	0.2	114.2	126.1	(11.9)
Industrial	126.2	115.6	10.6	384.2	365.6	18.6
Off-System	7.0	10.6	(3.6)	25.6	23.2	2.4
Other	—	—	—	0.2	0.2	—
Total	163.5	157.5	6.0	669.8	684.9	(15.1)
Heating Degree Days	41	87	(46)	2,898	3,493	(595)
Normal Heating Degree Days	60	60	—	3,428	3,428	—
% Colder (Warmer) than Normal	(32)%	45 %		(15)%	2 %	
% Warmer than prior year	(53)%			(17)%		
Gas Distribution Customers						
Residential				2,980,246	2,952,458	27,788
Commercial				251,642	250,919	723
Industrial				4,794	4,860	(66)
Other				3	3	—
Total				3,236,685	3,208,240	28,445

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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

The underlying reasons for changes in our operating revenues for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
Changes in Operating Revenues (in millions)		
New rates from base rate proceedings and regulatory capital programs	\$ 42.3	\$ 185.4
Increased customer usage	1.0	1.5
The effects of customer growth	1.8	4.3
The effects of weather in 2023 compared to 2022	(2.6)	(41.3)
Other	1.3	10.0
Change in operating revenues (before cost of energy and other tracked items)	\$ 43.8	\$ 159.9
Operating revenues offset in operating expense		
Lower cost of energy billed to customers	(85.9)	(177.4)
Lower tracker deferrals within operation and maintenance, depreciation, and tax	(3.1)	(1.9)
Increase (Reduction) in gross receipts tax, offset in operating expenses	1.2	(8.4)
Total change in operating revenues	\$ (44.0)	\$ (27.8)

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 Gas Distribution 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 September 30, 2023, compared to the same period in 2022, is primarily attributable to increased industrial usage.

The decrease in total volumes for the nine months ended September 30, 2023 compared to the same period in 2022, is primarily attributable to the effects of warmer weather.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution 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 Gas Distribution 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.

[Table of Contents](#)

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

NiSource Inc.

Gas Distribution Operations

The underlying reasons for changes in our operating expenses for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
Changes in Operating Expenses (in millions)		
Higher employee and administrative related expenses	\$ (8.2)	\$ (11.5)
(Higher) lower materials and supplies expense	(3.1)	1.6
Property insurance settlement related to the Greater Lawrence Incident received in 2022	—	(105.0)
Higher depreciation and amortization expense	(14.1)	(38.5)
Higher property tax	(2.0)	(11.8)
Lower environmental expenses	—	5.4
Impacts from Columbia of Ohio's rate case	(4.2)	(9.3)
Lower outside services expenses	7.7	10.7
Other	(1.1)	(11.8)
Change in operating expenses (before cost of energy and other tracked items)	\$ (25.0)	\$ (170.2)
Operating expenses offset in operating revenue		
Lower cost of energy billed to customers	85.9	177.4
(Reduction) Increase in gross receipts tax, offset in operating revenues	(1.2)	8.4
Lower tracker deferrals within operation and maintenance, depreciation, and tax	3.1	1.9
Total change in operating expense	\$ 62.8	\$ 17.5

[Table of Contents](#)

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

NiSource Inc.

Electric Operations

Financial and operational data for the Electric Operations segment for the three and nine months ended September 30, 2023 and 2022 are presented below.

<i>(in millions)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
Operating Revenues	\$ 499.1	\$ 516.5	\$ (17.4)	\$ 1,360.9	\$ 1,384.1	\$ (23.2)
Operating Expenses						
Cost of energy	109.2	172.8	63.6	375.3	420.8	45.5
Operation and maintenance	122.2	126.5	4.3	374.7	367.3	(7.4)
Depreciation and amortization	82.3	88.1	5.8	275.0	267.0	(8.0)
Gain on sale of assets	—	—	—	(0.1)	—	0.1
Other taxes	9.6	5.8	(3.8)	28.7	33.9	5.2
Total Operating Expenses	323.3	393.2	69.9	1,053.6	1,089.0	35.4
Operating Income	\$ 175.8	\$ 123.3	\$ 52.5	\$ 307.3	\$ 295.1	\$ 12.2
Revenues						
Residential	\$ 176.0	\$ 178.7	\$ (2.7)	\$ 449.2	\$ 454.3	\$ (5.1)
Commercial	156.6	158.9	(2.3)	437.6	428.1	9.5
Industrial	116.0	152.1	(36.1)	363.3	421.0	(57.7)
Wholesale	15.4	4.1	11.3	25.5	10.6	14.9
Other	35.1	22.7	12.4	85.3	70.1	15.2
Total	\$ 499.1	\$ 516.5	\$ (17.4)	\$ 1,360.9	\$ 1,384.1	\$ (23.2)
Sales (GWh)						
Residential	1,034.6	1,080.6	(46.0)	2,540.5	2,745.2	(204.7)
Commercial	1,011.0	1,044.7	(33.7)	2,743.7	2,845.3	(101.6)
Industrial	2,023.7	2,076.3	(52.6)	5,955.3	6,078.8	(123.5)
Wholesale	0.2	4.9	(4.7)	0.9	37.0	(36.1)
Other	17.6	17.9	(0.3)	58.2	67.5	(9.3)
Total	4,087.1	4,224.4	(137.3)	11,298.6	11,773.8	(475.2)
Cooling Degree Days	475	592	(117)	681	934	(253)
Normal Cooling Degree Days	573	573	—	820	820	—
% (Colder) Warmer than Normal	(17)%	3 %		(17)%	14 %	
% (Colder) than prior year	(20)%			(27)%		
Electric Customers						
Residential				426,054	423,764	2,290
Commercial				58,556	58,196	360
Industrial				2,126	2,133	(7)
Wholesale				708	711	(3)
Other				3	3	—
Total				487,447	484,807	2,640

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.

The underlying reasons for changes in our operating revenues for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

[Table of Contents](#)

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

NiSource Inc.
Electric Operations

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
Changes in Operating Revenues (in millions)		
New rates from regulatory capital and DSM programs	45.5	51.0
Increased (Decreased) customer usage	6.4	(9.7)
FAC over earnings reserve	5.2	5.2
Renewable Joint Venture revenue, fully offset by Joint Venture operating expense and noncontrolling interest net income (loss)	4.4	7.8
The effects of weather in 2023 compared to 2022	(16.8)	(27.6)
2022 FAC refund	—	8.0
Other	3.0	(3.3)
Change in operating revenues (before cost of energy and other tracked items)	\$ 47.7	\$ 31.4
Operating revenues offset in operating expense		
Lower cost of energy billed to customers	(63.6)	(45.5)
Reduction in gross receipts tax, offset in operating expenses	—	(11.5)
Higher (lower) tracker deferrals within operation and maintenance, depreciation and tax	(1.5)	2.4
Total change in operating revenues	\$ (17.4)	\$ (23.2)

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal cooling degree days. Our composite cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Cooling degree days experienced during different times of the year 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 degree day comparison.

Sales

The decrease in total volumes sold for the three and nine months ended September 30, 2023 compared to the same period in 2022 was primarily attributable to decreased usage by industrial and residential customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides 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 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.

[Table of Contents](#)

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

NiSource Inc.

Electric Operations

The underlying reasons for changes in our operating expenses for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
Changes in Operating Expenses (in millions)		
Lower depreciation and amortization expense excluding the regulatory deferral adjustment associated with the Joint Ventures	9.6	1.3
Lower (higher) outside services expenses primarily related to higher generation-related maintenance	\$ 3.8	\$ (8.6)
Lower employee and administrative expenses	2.0	4.9
Renewable Joint Venture operating expenses, offset by Joint Venture operating revenues	(11.2)	(14.4)
Other	0.6	(2.4)
Change in operating expenses (before cost of energy and other tracked items)	\$ 4.8	\$ (19.2)
Operating expenses offset in operating revenue		
Lower cost of energy billed to customers	63.6	45.5
Reduction in gross receipts tax, offset in operating revenues	—	11.5
Lower (higher) tracker deferrals within operation and maintenance, depreciation and tax	1.5	(2.4)
Total change in operating expense	\$ 69.9	\$ 35.4

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 anticipated barriers to the success of 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.

The current replacement plan 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.

Three wind projects and two solar projects have been placed into service, totaling approximately 1,269 MW of nameplate capacity. NIPSCO has executed commercial agreements for each of the nine remaining identified projects. Dunns Bridge II, Cavalry, Fairbanks, Indiana Crossroads II, GreenRiver, Appleseed, Carpenter and Templeton have received IURC approval. Additional approvals by the IURC may be required to obtain recovery for increases in projects costs. NIPSCO has recently filed with the IURC seeking approval for the Gibson project, and has filed for a new gas peaking resource to be located at Schahfer generating station. NIPSCO also filed with the IURC for a project cost update and full ownership of the Cavalry and Dunns Bridge II projects as a result of the option to use tax credit transferability under the IRA. Our current replacement program includes a diverse portfolio of resources detailed in the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

[Table of Contents](#)

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

NiSource Inc.

Electric Operations

Project Status. Our contract amendments to certain solar agreements will result in the majority of our remaining projects and investments being placed in service in 2024 and 2025. These amendments also formally address inflationary cost pressures communicated from the developers of our solar and storage projects that are primarily due to (i) limited supply of solar panels and other uncertainties related to the U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd./Uyghur Forced Labor Prevention Act, (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring our other renewable projects as upcoming project milestones related to permitting and obtaining interconnection rights are expected to occur. Final findings from the DOC Investigation were released on August 18, 2023 affirming the preliminary determination made in December 2022. At this time, we do not believe any significant panel tariffs will impact our projects.

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)
Cavalry ⁽¹⁾	BTA	Solar & Storage	200	60
Dunns Bridge II ⁽¹⁾	BTA	Solar & Storage	435	75
Fairbanks ⁽¹⁾	BTA	Solar	250	—
Gibson ⁽¹⁾	BTA	Solar	200	—
Indiana Crossroads II	15 year PPA	Wind	204	—
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	—

⁽¹⁾Ownership of the facility will be transferred to JVs whose members are expected to include NIPSCO and an unrelated tax equity partner. Alternatively, NIPSCO is evaluating the optionality related to the transferability of credits afforded by the passage of the IRA. NIPSCO has filed with the IURC for direct ownership of Dunns Bridge II and Cavalry and may seek direct ownership of the Fairbanks and Gibson projects.

[Table of Contents](#)

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 \$1.5 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 20, 2022 we entered into a \$1.0 billion term credit agreement with a maturity date of December 19, 2023. On October 5, 2023, we entered into an amendment to, among other things, extend the maturity date of the agreement to March 15, 2024. On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs. On June 8, 2023, we completed the issuance and sale of a reopening of \$300.0 million of 5.25% senior unsecured notes maturing in 2028 and \$450.0 million of 5.40% senior unsecured notes maturing in 2033, which resulted in approximately \$742.5 million of net proceeds after discount and debt issuance costs. On June 15, 2023, we redeemed all 400,000 shares of Series A Preferred Stock for a redemption price of \$1,000 per share, or \$400.0 million in total. We maintain an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of \$750.0 million through December 31, 2023. As of September 30, 2023, the ATM program had approximately \$300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred Stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," Note 12, "Long-Term Debt," and Note 13, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.

On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II, entered into the BIP Purchase Agreement with an affiliate of BIP, pursuant to which BIP will acquire an indirect 19.9 percent equity interest in NIPSCO for a purchase price of \$2.150 billion in cash, subject to adjustments based on the timing of closing and the amount of capital contributions made by NiSource prior to closing. NiSource intends to use the proceeds from the purchase price and BIP's capital contribution to support NIPSCO’s capital expenditure plans for serving customers, reduce NiSource’s debt and fund ongoing capital needs associated with the renewable generation transition. Refer to Note 14, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on this transaction.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2023 and beyond.

The following table summarizes our cash flow activities:

<i>(in millions)</i>	Nine Months Ended September 30,		
	2023	2022	Change in 2023 vs 2022
Cash from (used for):			
Operating Activities	\$ 1,535.9	\$ 1,036.2	\$ 499.7
Investing Activities	(2,503.3)	(1,682.7)	(820.6)
Financing Activities	998.6	630.2	368.4

Operating Activities

The increase in cash from operating activities was primarily driven by year over year change in accounts receivable collections and inventory driven by the implementation of new rates and the impact of lower gas prices, partially offset by higher accounts payables.

Investing Activities

The increase in cash used for investing activities was due to increased capital expenditures related to system growth and reliability and payments to renewable generation asset developers related to milestone payments for certain of our BTA projects in 2023, as well as the property insurance settlement related to the Greater Lawrence Incident received in the prior year.

As we evaluate adjustments to renewable generation project timing, we remain on track to make capital investments totaling \$3.3 billion to \$3.6 billion during the 2023 period. We also expect to invest approximately \$16.0 billion during the 2024-2028 period, including capital investments to support our generation transition strategy. These forecasted capital investments and

[Table of Contents](#)

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

NiSource Inc.

those included in our Annual Report on Form 10-K for the year ended December 31, 2022, are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

[Table of Contents](#)

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 2023, 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 as well as other federally mandated compliance investments currently in rates or pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered ⁽¹⁾	Rates Effective
Columbia of Ohio	IRP - 2023	\$ 38.4	\$ 316.3	1/22-12/22	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe.	May 2023
Columbia of Ohio	CEP - 2023	\$ 31.0	\$ 265.6	1/22-12/22	Assets not included in the IRP.	September 2023
NIPSCO - Gas	TDSIC - 7	\$ 10.1	\$ 207.1	3/23-8/23	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	March 2024
NIPSCO - Gas	TDSIC 6	\$ (2.5)	\$ 149.8	1/22-2/23	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	September 2023
NIPSCO - Gas ⁽²⁾⁽³⁾	FMCA 2	\$ 4.2	\$ 38.2	4/22-9/22	Project costs to comply with federal mandates.	April 2023
NIPSCO - Gas ⁽³⁾	FMCA 1	\$ (4.0)	\$ 13.4	10/22-3/23	Project costs to comply with federal mandates.	October 2023
Columbia of Virginia	SAVE - 2024	\$ 7.9	\$ 69.0	1/24-12/24	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2024
Columbia of Virginia ⁽⁴⁾	SAVE - 2023	\$ 4.5	\$ 45.9	1/23-12/23	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2023
Columbia of Kentucky	SMRP - 2024	\$ 5.2	\$ 40.2	1/24-12/24	Replacement of mains and inclusion of system safety investments.	January 2024
Columbia of Kentucky	SMRP - 2023	\$ 1.6	\$ 41.6	1/23-12/23	Replacement of mains and inclusion of system safety investments.	January 2023
Columbia of Maryland ⁽⁵⁾	STRIDE - 2023	\$ 1.3	\$ 18.0	1/23-12/23	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2023
Columbia of Maryland ⁽⁵⁾	STRIDE - 2024	\$ 1.3	\$ 15.4	1/24 -12/24	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2024
NIPSCO - Electric	TDSIC - 2	\$ 6.6	\$ 143.5	2/22-7/22	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	February 2023
NIPSCO - Electric ⁽⁶⁾	TDSIC - 3	\$ 21.2	\$ 144.8	8/23-9/24	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2023

⁽¹⁾Programs do not include any costs already included in base rates.

⁽²⁾On March 1, 2023, incremental tracker revenue was updated as certain investments are now being recovered through base rates.

⁽³⁾NIPSCO received approval for a new certificate of public convenience and necessity on December 28, 2022 for an additional Pipeline Safety III Compliance Plan, including \$235.3M in capital and \$34.1M in operation and maintenance expense project investments.

⁽⁴⁾Columbia of Virginia received a final order on November 1, 2022 modifying the SAVE filing incremental revenue and investments.

⁽⁵⁾Columbia of Maryland’s current STRIDE expires December 31, 2023. On June 23, 2023, CMD filed an application for approval of a new five-year STRIDE. A final order is anticipated Q4 2023.

⁽⁶⁾NIPSCO Electric TDSIC-3 is for a 14-month billing period due to the rate case order received in August 2023 and a subsequent 9 month hold-out period. Coincident with the implementation of Step-1 base rates and in August 2023 in Cause No. 45772, TDSIC-3 incremental revenue decreased from that originally filed for and approved as a result of \$554.7 million of in service capital moving out of this tracker into base rates.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated \$40.0 million of federally mandated retirement costs. On November 2, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of R.M. Schahfer Generation Station's multi-cell unit. The project includes a

[Table of Contents](#)

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

NiSource Inc.

total estimated \$53.0 million of federally mandated retirement costs. Due to the NIPSCO electric settlement agreement filed on March 10, 2023, both FMCA cases were stayed pending the outcome of NIPSCO’s electric base rate case, which proposed these pond closure costs be recovered through base rates, rather than the FMCA Tracker. NIPSCO received an order approving its electric base rate case settlement on August 2, 2023. Upon the expiration of the time for appeals of this order, NIPSCO will file to dismiss the independent requests for CCR ash pond recovery, as that recovery has been approved within electric base rates under the terms of the settlement. Refer to Note 14, "Other Commitments and Contingencies - C. Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

Columbia of Ohio filed an application on February 28, 2023, to establish a new PHMSA IRP Rider in order to recover costs incurred to comply with the PHMSA Mega rule. An unopposed settlement was filed on September 8, 2023. The record of the case is submitted for a decision by the PUCO. It is anticipated that the PUCO will rule on this Application and settlement by the end of 2023.

Financing Activities

Common Stock, Preferred Stock and Equity Units. Refer to Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock and equity units activity.

Long-Term Debt. Refer to Note 12, "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 13, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

Noncontrolling Interest. Refer to Note 11, "Variable Interest Entities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on contributions from noncontrolling interest activity.

NIPSCO Minority Equity Interest Sale. Refer to Note 14, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on the BIP Purchase Agreement and use of proceeds from this transaction.

Sources of Liquidity

The following table displays our liquidity position as of September 30, 2023 and December 31, 2022:

<i>(in millions)</i>	September 30, 2023	December 31, 2022
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	295.6	447.2
<i>Less:</i>		
Commercial Paper	935.0	415.0
Accounts Receivable Programs Utilized	285.0	347.2
Letters of Credit Outstanding Under Credit Facility	9.9	10.2
<i>Add:</i>		
Cash and Cash Equivalents	56.0	40.8
Net Available Liquidity	\$ 971.7	\$ 1,565.6

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

Debt Covenants. We are subject to financial covenants under our revolving credit facility and term credit agreement, which require us to maintain a debt to capitalization ratio that does not exceed 70.0%. As of September 30, 2023, the ratio was 63.1%.

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 September 30, 2023. 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.

[Table of Contents](#)

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

NiSource Inc.

	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 September 30, 2023, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately \$89.5 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 620,000,000 shares, \$0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of September 30, 2023, 413,324,607 shares of common stock and 902,500 shares of preferred 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, 2022. Except for our March and June 2023 debt issuances, there were no additional material changes from year-end during the nine months ended September 30, 2023. Refer to Note 12, "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 business. Such agreements include guarantees and stand-by letters of credit. Refer to Note 14, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

[Table of Contents](#)

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 Gas Distribution 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 Gas Distribution 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 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. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric 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 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 will continue efforts to design rates that increase the certainty of recovery of fixed costs.

[Table of Contents](#)

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	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Currently Approved in Current or Future Rates							
Columbia of Pennsylvania ⁽¹⁾	11.20 %	None specified	\$ 82.2	\$ 44.5	March 18, 2022	Approved December 8, 2022	December 2022
Columbia of Maryland	10.85 %	9.65 %	\$ 5.8	\$ 3.5	May 13, 2022	Approved November 17, 2022	December 2022
Columbia of Maryland	10.95 %	None specified	\$ 6.5	\$ 3.9	May 12, 2023	Approved October 26, 2023	December 2023
Columbia of Kentucky ⁽²⁾	10.30 %	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	Approved December 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	10.75 %	None specified	\$ 40.5	\$ 25.8	April 29, 2022	Approved May 15, 2023	October 2022
Columbia of Ohio	10.95 %	9.60 %	\$ 221.4	\$ 68.3	June 30, 2021	Approved January 26, 2023	March 2023
NIPSCO - Gas ⁽⁴⁾	10.50 %	9.85 %	\$ 109.7	\$ 71.8	September 29, 2021	Approved July 27, 2022	September 2022
NIPSCO - Electric ⁽⁵⁾	10.40 %	9.80 %	\$ 291.8	\$ 261.9	September 19, 2022	Approved August 2, 2023	August 2023
Active Rate Cases							
NIPSCO - Gas ⁽⁶⁾	10.70 %	In process	\$ 161.9	In process	October 25, 2023	Order Expected Q3 2024	September 2024

⁽¹⁾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.

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

⁽³⁾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 other than base rates.

⁽⁴⁾New rates are 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.

⁽⁵⁾ New rates will be implemented in 2 steps, with implementation of Step 1 rates to be effective in August 2023 and Step 2 rates to be effective in March 2024. The order reflects incremental revenue of \$261.9 million plus an estimated additional \$29.9 million for recovery of costs associated with a new Environmental Cost Tracker (replacing the VCT).

⁽⁶⁾ 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.

PHMSA Regulations

On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law, reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA 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. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement and utilize advanced leak detection and repair technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment.

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, NiSource's 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 its existing advanced leak detection program. We continue to evaluate the proposed rule for impacts on our business.

CCR Regulation

In May 2023, EPA proposed changes to the CCR regulations for inactive surface impoundments at inactive facilities, referred to as “legacy CCR surface impoundments.” 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.” NIPSCO potentially has areas that could become subject to the proposed changes. We continue to evaluate the proposed rule for impacts on our business.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

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. Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows.

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, signed into law in November 2021; the IRA, signed into law in August 2022; and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the Infrastructure Investment and Jobs Act 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 over the next five years. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

In February 2021, the United States rejoined 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. Subsequently, the Biden Administration released 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 pathways to reach these goals.

In May 2023, 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. We are reviewing the potential impacts of the proposed rules but we are unable to estimate impacts on our business at this time.

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, 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 is required to adopt a plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the 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. In May 2023, the Maryland Department of the Environment issued draft Building Energy Performance Standards (BEPS), which would require net-zero direct greenhouse gas emissions from large buildings by 2040. On September 11, 2023, updated draft BEPS were presented to, and adopted, with amendments, by the Maryland Air Quality Control Advisory Council (AQCAC). The draft regulations will now undergo formal public notice and comment rulemaking. 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.

[Table of Contents](#)

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

NiSource Inc.

Regulatory, Environmental and Safety Matters

NIPSCO, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows 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. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. After reaching settlement with other parties in September 2022, NIPSCO agreed to add a third tier to offset 25% of customer usage. Columbia of Maryland's filing was denied by the PSC in January 2023. Columbia of Virginia received a final order in May 2023, approving the Green Path Rider and began enrolling customers in September 2023. Columbia of Pennsylvania filed a Joint Petition for Nonunanimous Settlement with the Bureau of Investigation and Enforcement (I&E) and the Office of Small Business Advocate (OSBA) in March 2023, in support of the Commission's adoption of the Green Path Rider. Columbia of Pennsylvania received an order in June 2023 that rejected the settlement agreement and denied implementation of the Green Path Rider. On September 19, 2023, Columbia of Kentucky filed a motion for a decision with the PSC on its Green Path filing. The motion is still pending with the commission. Additionally, NIPSCO 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 response to these transition risks and opportunities, on November 7, 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 percent from 2005 levels by 2025 and reducing Scope 1 GHG emissions from company-wide operations by 90 percent 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- or zero-emission energy resources and technologies, such as hydrogen, renewable natural gas, 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 2022, we had reduced Scope 1 GHG emissions by approximately 67% 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.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans. Additionally, as discussed above in this Management's Discussion within "Liquidity and Capital Resources - Regulatory Capital Programs," our natural gas distribution companies are lowering methane emissions by replacing aging infrastructure, which also increases safety and reliability for customers and communities.

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 Operations 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.

[Table of Contents](#)

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

NiSource Inc.

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited and does not bear signification 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 7, "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 September 30, 2023 and December 31, 2022.

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, term credit agreement 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 \$4.8 million and \$12.4 million for the three and nine months ended September 30, 2023 and \$2.3 million and \$5.0 million for the three and nine months ended September 30, 2022, 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.

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, 2022. There were no material changes made as of September 30, 2023.

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.

[Table of Contents](#)

NiSource Inc.

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.

[Table of Contents](#)

NiSource Inc.

PART II

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 14, "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, 2022, as supplemented by the risk factor set forth below. There have been no material changes to such risk factors, other than the risks described below.

The NIPSCO Minority Equity Interest Sale is Subject to Risk and Uncertainties that Could Have a Material Adverse Effect on Our Cash Flows, Liquidity, Financial Condition, or Stock Price.

The NIPSCO Minority Equity Interest Sale is subject to various risks and uncertainties. The timing and certainty of the closing of the NIPSCO Minority Equity Interest Sale is subject to our ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale. Furthermore, our efforts to close the NIPSCO Minority Equity Interest Sale may cause disruption to NiSource's business including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues. In addition, we have incurred, and will continue to incur, significant costs, expenses, and fees for professional services and other costs in connection with the NIPSCO Minority Equity Interest Sale, and many of these fees and costs are payable by us regardless of whether or not the NIPSCO Minority Equity Interest Sale is consummated.

Additionally, even if we close the NIPSCO Minority Equity Interest Sale, we may not be able to achieve the anticipated benefits from the NIPSCO Minority Equity Interest Sale fully, or at all, or the benefits may take longer to realize than anticipated, whether as a result of our execution or as a result of various factors, including prevailing market conditions, that could negatively impact the benefits we are able to achieve.

Our failure to consummate the NIPSCO Minority Equity Interest Sale at all, or in a timely manner, potential business disruptions, related costs and expenses, or our failure to achieve anticipated benefits of the NIPSCO Minority Equity Interest Sale could have a material adverse effect on our cash flows, liquidity, financial condition and stock price.

Finally, we cannot fully anticipate the effects of the NIPSCO Minority Equity Interest Sale on the industry, market, economic, political or regulatory conditions outside of our control. Any such consequential effects could have a potential adverse impact on our business.

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 September 30, 2023, 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.

[Table of Contents](#)

ITEM 6. EXHIBITS

NiSource Inc.

- (10.1) [Amendment No. 1 to the Purchase and Sale Agreement, dated as of July 6, 2023, among NiSource Inc., as the Parent, NIPSCO Holdings II LLC, as the Company, and BIP BLUE BUYER L.L.C., as the Investor \(incorporated by reference to Exhibit 10.2 to the NiSource Inc. Form 10-Q filed on August 2, 2023\).](#)**
- (10.2) [Amendment No. 1 to the Sixth Amended and Restated Revolving Credit Agreement dated February 18, 2022, made as of August 23, 2023 by and among NiSource Inc., the financial institutions listed on the signature pages and Barclays Bank PLC, as administrative agent \(incorporated by reference to Exhibit 10.1 to the NiSource Inc. Form 8-K filed on August 23, 2023\).](#)
- (10.3) [Amendment No. 1 to the Credit Agreement dated December 20, 2022, made as of October 5, 2023 by and among NiSource Inc., the financial institutions listed on the signature pages and JPMorgan Chase Bank, N.A., as administrative agent \(incorporated by reference to Exhibit 10.1 to the NiSource Inc. Form 8-K filed on October 5, 2023\).](#)
- (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

TAB 71a

807 KAR 5:001 Section 16(7)(p)

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
Symbol(s)**
NI

**Name of Each Exchange on Which
Registered**
NYSE

Common Stock, par value \$0.01 per share

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

Table of Contents

	<u>Page</u>
Defined Terms	3
<u>PART I</u> <u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements - unaudited	
Condensed Statements of Consolidated Income (unaudited)	8
Condensed Statements of Consolidated Comprehensive Income (unaudited)	9
Condensed Consolidated Balance Sheets (unaudited)	10
Condensed Statements of Consolidated Cash Flows (unaudited)	12
Condensed Statements of Consolidated Equity (unaudited)	13
Notes to Condensed Consolidated Financial Statements (unaudited)	15
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	34
Item 3. Quantitative and Qualitative Disclosures About Market Risk	57
Item 4. Controls and Procedures	57
<u>PART II</u> <u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	58
Item 1A. Risk Factors	58
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	58
Item 3. Defaults Upon Senior Securities	58
Item 4. Mine Safety Disclosures	58
Item 5. Other Information	58
Item 6. Exhibits	59
Signature	60

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
AOCI	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

	<u>DEFINED TERMS</u>
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.

Index	Page
Condensed Statements of Consolidated Income (unaudited)	8
Condensed Statements of Consolidated Comprehensive Income (unaudited)	9
Condensed Consolidated Balance Sheets (unaudited)	10
Condensed Statements of Consolidated Cash Flows (unaudited)	12
Condensed Statements of Consolidated Equity (unaudited)	13
Notes to Condensed Consolidated Financial Statements (unaudited)	15
1. Basis of Accounting Presentation	15
2. Recent Accounting Pronouncements	15
3. Revenue Recognition	15
4. Noncontrolling Interest	18
5. Earnings Per Share	19
6. Equity	20
7. Short-Term Borrowings	21
8. Long-Term Debt	22
9. Gas in Storage	22
10. Regulatory Matters	22
11. Risk Management Activities	23
12. Fair Value	25
13. Income Taxes	28
14. Pension and Other Postemployment Benefits	28
15. Other Commitments and Contingencies	28
16. Accumulated Other Comprehensive Loss	30
17. Business Segment Information	31
18. Other, Net	33

PART I**ITEM 1. FINANCIAL STATEMENTS****NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)**

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

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

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

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

⁽¹⁾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.

⁽²⁾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.

⁽³⁾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.

[Table of Contents](#)
ITEM 1. FINANCIAL STATEMENTS (continued)
**NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)**

<i>(in millions)</i>	March 31, 2024	December 31, 2023
ASSETS		
Property, Plant and Equipment		
Plant	\$ 31,300.6	\$ 30,482.1
Accumulated depreciation and amortization	(8,354.5)	(8,207.2)
Net Property, Plant and Equipment ⁽¹⁾	22,946.1	22,274.9
Investments and Other Assets		
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
Current Assets		
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 ⁽¹⁾	2,060.2	4,499.4
Other Assets		
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
Total Assets	\$ 29,338.1	\$ 31,077.2

⁽¹⁾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>	March 31, 2024	December 31, 2023
CAPITALIZATION AND LIABILITIES		
Capitalization		
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
Current Liabilities		
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⁽¹⁾	3,125.0	5,265.1
Other Liabilities		
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⁽¹⁾	4,693.6	4,620.3
Commitments and Contingencies (Refer to Note 15, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	\$ 29,338.1	\$ 31,077.2

⁽¹⁾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.

[Table of Contents](#)
ITEM 1. FINANCIAL STATEMENTS (continued)
NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Three Months Ended March 31, <i>(in millions)</i>	2024	2023
Operating Activities		
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)
Net Cash Flows from Operating Activities	456.2	683.4
Investing Activities		
Capital expenditures	(589.5)	(557.1)
Milestone payments to renewable generation asset developer	(110.6)	(137.3)
Other investing activities	(22.9)	(33.4)
Net Cash Flows used for Investing Activities	(723.0)	(727.8)
Financing Activities		
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)
Net Cash Flows from Financing Activities	(1,873.8)	117.3
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
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 140.5	\$ 148.3

Reconciliation to Balance Sheet

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

Supplemental Disclosures of Cash Flow Information

Three Months Ended March 31, <i>(in millions)</i>	2024	2023
Non-cash transactions:		
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.

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

<i>(in millions)</i>	Common Stock	Preferred Stock	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2024	\$ 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
Balance as of March 31, 2024	\$ 4.5	\$ —	\$ (99.9)	\$ 8,886.8	\$ (861.7)	\$ (33.8)	\$ 1,899.0	\$ 9,794.9

<i>(in millions)</i>	Common Stock	Preferred Stock	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2023	\$ 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
Balance as of March 31, 2023	\$ 4.2	\$ 1,546.5	\$ (99.9)	\$ 7,372.9	\$ (1,114.8)	\$ (34.7)	\$ 329.5	\$ 8,003.7

[Table of Contents](#)

ITEM 1. FINANCIAL STATEMENTS (continued)

**NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)**

Shares (in thousands)	Preferred	Common		
	Shares	Shares	Treasury	Outstanding
Balance as of January 1, 2024	40	451,345	(3,963)	447,382
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)	—	—	—
Balance as of March 31, 2024	—	452,161	(3,963)	448,198

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

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
Gas Distribution							
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 ⁽¹⁾		8.2		7.9		—	16.1
Subtotal	\$	910.3	\$	318.5	\$	—	\$ 1,228.8
Electric Generation and Power Delivery							
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 ⁽¹⁾		—		3.2		—	3.2
Subtotal	\$	—	\$	414.2	\$	—	\$ 414.2
Total Customer Revenues⁽²⁾		910.3		732.7		—	1,643.0
Other Revenues⁽³⁾		43.4		19.7		0.2	63.3
Total Operating Revenues	\$	953.7	\$	752.4	\$	0.2	\$ 1,706.3

⁽¹⁾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. ⁽²⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽³⁾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
Gas Distribution							
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 ⁽¹⁾		11.8		5.6		—	17.4
Subtotal	\$	1,003.0	\$	452.1	\$	—	\$ 1,455.1
Electric Generation and Power Delivery							
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 ⁽¹⁾		—		0.8		—	0.8
Subtotal	\$	—	\$	441.0	\$	—	\$ 441.0
Total Customer Revenues⁽²⁾		1,003.0		893.1		—	1,896.1
Other Revenues⁽³⁾		45.9		23.8		0.2	69.9
Total Operating Revenues	\$	1,048.9	\$	916.9	\$	0.2	\$ 1,966.0

⁽¹⁾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. ⁽²⁾Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.

⁽³⁾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 Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less 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
Balance as of January 1, 2024	\$	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
Balance as of March 31, 2024	\$	18.0	\$	13.6	\$ —	\$ 31.6

<i>(in millions)</i>	Columbia Operations		NIPSCO Operations		Corporate and Other	Total
Balance as of January 1, 2023	\$	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
Balance as of December 31, 2023	\$	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⁽¹⁾	1,419.0	1,433.4
Current liabilities	60.9	68.3
Asset retirement obligations	56.3	55.7
Total liabilities⁽¹⁾⁽²⁾	\$ 117.2	\$ 124.0

⁽¹⁾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.

⁽²⁾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 March 31,	
	2024	2023
Numerator:		
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
Denominator:		
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
Earnings per common share:		
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:

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

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

⁽²⁾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
Regulatory Assets		
Losses on commodity price risk programs	\$ 20.1	\$ 24.4
Regulatory Liabilities		
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 March 31, 2024 <i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2024
Assets				
Risk management assets	\$ —	\$ 23.2	\$ —	\$ 23.2
Available-for-sale debt securities	—	150.1	—	150.1
Total	\$ —	\$ 173.3	\$ —	\$ 173.3
Liabilities				
Risk management liabilities	\$ —	\$ 13.5	\$ —	\$ 13.5
Total	\$ —	\$ 13.5	\$ —	\$ 13.5

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

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:

<i>March 31, 2024 (in millions)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽¹⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
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
Total	\$ 160.2	\$ 0.6	\$ (10.3)	\$ (0.4)	\$ 150.1
<i>December 31, 2023 (in millions)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses ⁽²⁾	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
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
Total	\$ 169.0	\$ 0.8	\$ (10.1)	\$ (0.6)	\$ 159.1

⁽¹⁾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.

⁽²⁾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 Amount as of March 31, 2024	Estimated Fair Value as of March 31, 2024	Carrying Amount as of Dec. 31, 2023	Estimated Fair Value as of 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
Components of Net Periodic Benefit Cost⁽¹⁾				
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
Total Net Periodic Benefit Cost	\$ 5.1	\$ 7.0	\$ 3.1	\$ 3.2

⁽¹⁾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 ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
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)
Balance as of March 31, 2024	\$ (7.6)	\$ (12.9)	\$ (13.3)	\$ (33.8)

⁽¹⁾All amounts are net of tax. Amounts in parentheses indicate debits.

<i>(in millions)</i>	Gains and Losses on Securities ⁽¹⁾	Gains and Losses on Cash Flow Hedges ⁽¹⁾	Pension and OPEB Items ⁽¹⁾	Accumulated Other Comprehensive Loss ⁽¹⁾
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
Balance as of March 31, 2023	\$ (9.2)	\$ (12.5)	\$ (13.0)	\$ (34.7)

⁽¹⁾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)

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

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

<i>(in millions)</i>	March 31, 2024	December 31, 2023
Assets		
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
Consolidated Assets	\$ 29,338.1	\$ 31,077.2

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.

[Table of Contents](#)

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>	Three Months Ended March 31,	
	2024	2023
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

[Table of Contents](#)

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

NiSource Inc.

Index	Page
Executive Summary	35
Summary of Consolidated Financial Results	37
Results and Discussion of Segment Operations	38
Columbia Operations	39
NIPSCO Operations	42
Liquidity and Capital Resources	47
Regulatory, Environmental and Safety Matters	51
Market Risk Disclosures	55
Other Information	56

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.

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 (Unfavorable)
Operating Revenues	\$ 1,706.3	\$ 1,966.0	\$ (259.7)
Operating Expenses			
Cost of energy	425.0	765.1	340.1
Other Operating Expenses	697.9	669.9	(28.0)
Total Operating Expenses	1,122.9	1,435.0	312.1
Operating Income	583.4	531.0	52.4
Total Other Deductions, Net	(107.1)	(107.4)	0.3
Income Taxes	76.0	85.8	9.8
Net Income	400.3	337.8	62.5
Net income (loss) attributable to noncontrolling interest	35.3	4.8	(30.5)
Net Income Attributable to NiSource	365.0	333.0	32.0
Preferred dividends and redemption premium	(20.7)	(13.8)	(6.9)
Net Income Available to Common Shareholders	344.3	319.2	25.1
Earnings Per Share			
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.

NiSource Inc.

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.

[Table of Contents](#)

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 (Unfavorable)
Operating Revenues	\$ 956.9	\$ 1,051.9	\$ (95.0)
Operating Expenses			
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
Revenues			
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)
Sales and Transportation (MMDth)			
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
Heating Degree Days⁽¹⁾	2,284	2,229	55
Normal Heating Degree Days⁽¹⁾	2,739	2,729	10
% (Warmer) than Normal	(17)%	(18)%	
% Colder than prior year	2 %		
Columbia Operations Customers			
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

⁽¹⁾ 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.

[Table of Contents](#)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.

	Favorable (Unfavorable)
	Three Months Ended March 31, 2024 vs 2023
Changes in Operating Revenues <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
Operating revenues offset in operating expense	
Lower cost of energy billed to customers	(109.4)
Lower tracker deferrals within operation and maintenance, depreciation, and tax	(29.5)
Total change in operating revenues	\$ (95.0)

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.

	Favorable (Unfavorable)
	Three Months Ended March 31, 2024 vs 2023
Changes in Operating Expenses <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)
Operating expenses offset in operating revenue	
Lower cost of energy billed to customers	109.4
Lower tracker deferrals within operation and maintenance, depreciation, and tax	29.5
Total change in operating expense	\$ 105.2

[Table of Contents](#)

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 (Unfavorable)
NIPSCO Operations			
Operating Revenues	\$ 752.7	\$ 917.2	\$ (164.5)
Operating Expenses			
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 (Unfavorable)
NIPSCO Electric			
Revenues			
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)
Sales (GWh)			
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
NIPSCO Electric Customers			
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

[Table of Contents](#)

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

NiSource Inc.
NIPSCO Operations

<i>(in millions)</i>	Three Months Ended March 31,		
	2024	2023	Favorable (Unfavorable)
NIPSCO Gas			
Revenues			
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)
Sales and Transportation Volumes (MMDth)			
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)
Heating Degree Days	2,643	2,659	(16)
Normal Heating Degree Days	3,141	3,100	41
% (Warmer) than Normal	(16)%	(14)%	
% (Warmer) than prior year	(1)%		
NIPSCO Gas Customers			
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.

[Table of Contents](#)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.

	Favorable (Unfavorable)
	Three Months Ended
	March 31, 2024 vs 2023
Changes in Operating Revenues (in millions)	
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
Operating revenues offset in operating expense	
Lower cost of energy billed to customers	(230.7)
Lower tracker deferrals within operation and maintenance, depreciation and tax	(2.0)
Total change in operating revenues	\$ (164.5)

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.

[Table of Contents](#)ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**NiSource Inc.**
NIPSCO Operations

	Favorable (Unfavorable)
	Three Months Ended
	March 31, 2024 vs 2023
Changes in Operating Expenses (in millions)	
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)
Operating expenses offset in operating revenue	
Lower cost of energy billed to customers	230.7
Lower tracker deferrals within operation and maintenance, depreciation and tax	2.0
Total change in operating expense	\$ 203.9

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.

[Table of Contents](#)

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 (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:

<i>(in millions)</i>	Three Months Ended March 31,		
	2024	2023	Change in 2024 vs 2023
Cash from (used for):			
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.

[Table of Contents](#)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 ⁽¹⁾
Approved					
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 ⁽²⁾	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 ⁽³⁾	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.
Pending Commission Approval					
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 ⁽⁴⁾	SMRP - 2024	\$ 81.9	1/23-12/24	10/13/2023	Replacement of mains and inclusion of system safety investments.

⁽¹⁾Programs do not include any costs already included in base rates.

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

⁽³⁾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.

⁽⁴⁾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>	March 31, 2024	December 31, 2023
Current Liquidity		
Revolving Credit Facility	\$ 1,850.0	\$ 1,850.0
Accounts Receivable Programs ⁽¹⁾	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
Net Available Liquidity	\$ 1,139.8	\$ 3,070.8

⁽¹⁾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

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.

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.

[Table of Contents](#)**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
Approved Rate Cases					
Columbia of Pennsylvania ⁽¹⁾	None specified	\$ 82.2	\$ 44.5	March 18, 2022	December 2022
Columbia of Maryland ⁽¹⁾	None specified	\$ 6.5	\$ 3.9	May 12, 2023	December 2023
Columbia of Kentucky ⁽²⁾	9.35 %	\$ 26.7	\$ 18.3	May 28, 2021	January 2022
Columbia of Virginia ⁽³⁾	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 ⁽⁴⁾	9.85 %	\$ 109.7	\$ 71.8	September 29, 2021	September 2022
NIPSCO - Electric ⁽⁵⁾	9.80 %	\$ 291.8	\$ 261.9	September 19, 2022	August 2023
Pending Rate Cases					
NIPSCO - Gas ⁽⁶⁾	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 ⁽⁷⁾	In process	\$ 37.2	In process	April 29, 2024	October 2024

⁽¹⁾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.

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

⁽³⁾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.

⁽⁴⁾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.

⁽⁵⁾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.

⁽⁶⁾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.

⁽⁷⁾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.

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.

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.

[Table of Contents](#)

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

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

Shawn Anderson
Executive Vice President and Chief Financial Officer

Date: May 8, 2024