

# Segment and Financial Information Third Quarter 2016

*Supplement to NiSource Third Quarter 2016  
Earnings Presentation*

**NiSource**<sup>®</sup>

The background of the slide features a light blue and white geometric pattern of overlapping triangles. In the bottom right corner, there is a photograph of a garden path with a red pot and a black lantern.

## **Quarter Ended September 30, 2016 Operating Earnings - Segment Results (non-GAAP)**

NiSource's consolidated operating earnings (non-GAAP) for the third quarter of 2016 were \$106.7 million, compared to \$115.8 million in the comparable 2015 period. Refer to the attached schedules for the items included in 2016 and 2015 GAAP operating income but excluded from operating earnings.

Operating earnings (non-GAAP) for NiSource's business segments for the three months ended September 30, 2016, are discussed below.

### **Gas Distribution Operations**

For the third quarter of 2016, Gas Distribution Operations reported operating earnings of \$5.1 million, a decrease of \$16.5 million from the comparable 2015 period.

Net revenues for the third quarter of 2016 were \$320.2 million, an increase of \$8.6 million from the same period in 2015. Of this increase, \$8.8 million was attributable to continued regulatory and service investments, including the impact of new rates at Columbia Gas of Massachusetts (CMA) and Columbia Gas of Pennsylvania (CPA), as well as the implementation of new rates under Columbia Gas of Ohio's (COH) approved infrastructure replacement program.

Operating expenses were \$25.1 million higher than the comparable period reflecting increased employee and administrative costs of \$9.2 million, higher outside service costs of \$8.9 million and increased depreciation of \$5.8 million due to increased capital expenditures placed in service.

### **Electric Operations**

For the third quarter of 2016, Electric Operations reported operating earnings of \$104.6 million, an increase of \$3.0 million from the comparable 2015 period.

Net revenues for the third quarter of 2016 were \$315.6 million, an increase of \$19.1 million from the same period in 2015. Of this increase, \$13.5 million is attributable to continued regulatory and service investments resulting from increased capital spend on electric transmission projects and environmental investments. Additionally, net revenues were higher due increased regulatory and depreciation trackers, which are offset in expense, of \$5.9 million.

Operating expenses were \$16.1 million higher than the comparable period reflecting increased outside service costs of \$8.6 million, higher employee and administrative costs of \$7.0 million, and increased regulatory and depreciation trackers, which are offset in net revenues, of \$5.9 million. These increases were partially offset by lower depreciation and amortization of \$4.3 million driven by a TDSIC-related deferral in the third quarter of 2016 and reduced amortization of regulatory assets in 2016.

### **Corporate and Other Operations**

For the third quarter of 2016, Corporate and Other Operations reported an operating earnings loss of \$3.0 million compared with an operating earnings loss of \$7.4 million in the prior year period. This variance is driven primarily by \$2.4 million of unrealized gains on the cash surrender value of corporate owned life insurance investments.

### **Other Income (Deductions)**

Other income (deductions) reduced income by \$81.5 million for the third quarter of 2016, compared to a reduction in income of \$89.1 million in the prior year period. This variance was primarily due to decreased interest expense of \$9.9 million resulting primarily from maturities of long-term debt.

The effective tax rate of net operating earnings was 23.4 percent compared to 30.7 percent for the same period last year. The decrease in the three month effective tax rate in 2016 versus 2015 is

due to favorable book-to-return adjustments and estimated state apportionment benefits for 2016, partially offset by a 2015 cumulative adjustment to the estimated annual effective tax rate.

### **Nine Months Ended September 30, 2016 Operating Earnings - Segment Results (non-GAAP)**

NiSource's operating earnings (non-GAAP) for the nine months ended September 30, 2016, were \$640.3 million, compared to \$583.2 million in the comparable 2015 period. Refer to the attached schedules for the items included in 2016 and 2015 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the nine months ended September 30, 2016, are discussed below.

#### **Gas Distribution Operations**

For the nine months ended September 30, 2016, Gas Distribution Operations reported operating earnings of \$408.6 million, an increase of \$25.6 million from the comparable 2015 period.

Net revenues for the nine months ended September 30, 2016 were \$1,391.5 million, a decrease of \$15.6 million from the same period in 2015. The decrease in net revenues is due primarily to lower regulatory and tax trackers, offset in expense, of \$73.7 million and decreased customer usage of \$5.1 million. Additionally, net revenues decreased due to a decline in late payment revenue of \$3.6 million relating to lower customer billings resulting from warmer weather in 2016. This decrease in net revenues was partially offset by higher net revenues from regulatory and service investments of \$61.5 million, including the impact of new rates at CMA and CPA, as well as the implementation of new rates under COH's approved infrastructure replacement program and higher net revenues of \$7.9 million due to increased customer count.

Operating expenses were \$41.2 million lower than the comparable period reflecting lower regulatory and tax trackers, which are offset in net revenues, of \$73.7 million, along with decreased other taxes of \$3.9 million. These decreases in operating expense were partially offset by higher depreciation of \$16.0 million due to increased capital expenditures placed in service, higher outside service costs of \$12.4 million, and increased employee and administrative costs of \$11.4 million.

#### **Electric Operations**

For the nine months ended September 30, 2016, Electric Operations reported operating earnings of \$240.8 million, an increase of \$15.4 million from the comparable 2015 period.

Net revenues for the nine months ended September 30, 2016 were \$859.1 million, an increase of \$35.3 million from the same period in 2015. Of this increase, \$28.1 million is attributable to continued regulatory and service investments resulting from increased capital spend on electric transmission projects and environmental investments. Additionally, net revenues were higher due to increased regulatory and depreciation trackers, which are offset in expense, of \$18.4 million. These increases were partially offset by \$7.8 million of regulatory-deferred MISO costs which were fully amortized in the current year, and increased fuel handling costs of \$4.6 million.

Operating expenses were \$19.9 million higher than the comparable period reflecting increased outside service costs of \$18.8 million and higher regulatory and depreciation trackers, which are offset in net revenues, of \$18.4 million. These increases were partially offset by decreased other taxes of \$6.0 million, lower amortization expense of \$7.2 million and decreased material and supplies expense of \$5.3 million.

## **Corporate and Other Operations**

For the nine months ended September 30, 2016, Corporate and Other Operations reported an operating earnings loss of \$9.1 million compared with an operating earnings loss of \$25.2 million for the prior year period. This variance is driven primarily by lower employee and administrative costs of \$12.5 million and \$3.2 million of unrealized gains on the cash surrender value of corporate owned life insurance investments.

## **Other Income (Deductions)**

Other income (deductions) reduced income by \$263.4 million for the nine months ended September 30, 2016, compared to a reduction in income of \$274.3 million in the prior year period. This variance was primarily due to decreased interest expense of \$24.4 million resulting primarily from maturities of long-term debt; partially offset by a charge of \$8.6 million to other income resulting from a recent tax notice impacting NIPSCO's transmission upgrade agreements in the second quarter of 2016 and decreased transmission upgrade agreement income of \$7.2 million.

The effective tax rate of net operating earnings was 35.4 percent compared to 35.5 percent for the same period last year.

**NiSource Inc.**  
**Reconciliation of Consolidated Net Operating Earnings (Non-GAAP) to**  
**Income from Continuing Operations (unaudited)**

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Non-GAAP</b>				
<b>Gross Revenues</b>				
Gross Revenues	853.9	821.1	3,200.7	3,542.5
Cost of Sales (excluding depreciation and amortization)	218.2	209.1	949.6	1,307.3
<b>Total Net Revenues</b>	<b>635.7</b>	<b>612.0</b>	<b>2,251.1</b>	<b>2,235.2</b>
<b>Operating Expenses</b>				
Operation and maintenance	316.1	292.1	934.0	914.0
Operation and maintenance - trackers	20.0	17.9	92.7	149.8
Depreciation and amortization	128.1	126.9	385.9	380.1
Depreciation and amortization - trackers	8.2	5.6	20.1	10.9
Other taxes	47.3	45.1	132.0	143.7
Other taxes - trackers	9.3	8.6	46.1	53.5
<b>Total Operating Expenses</b>	<b>529.0</b>	<b>496.2</b>	<b>1,610.8</b>	<b>1,652.0</b>
<b>Operating Earnings</b>	<b>106.7</b>	<b>115.8</b>	<b>640.3</b>	<b>583.2</b>
<b>Other Income (Deductions)</b>				
Interest expense, net	(85.0)	(94.9)	(261.5)	(285.9)
Other, net	3.5	5.8	(1.9)	11.6
<b>Total Other Deductions</b>	<b>(81.5)</b>	<b>(89.1)</b>	<b>(263.4)</b>	<b>(274.3)</b>
<b>Operating Earnings</b>				
<b>Before Income Taxes</b>	<b>25.2</b>	<b>26.7</b>	<b>376.9</b>	<b>308.9</b>
<b>Income Taxes</b>	<b>5.9</b>	<b>8.2</b>	<b>133.3</b>	<b>109.7</b>
<b>Net Operating Earnings</b>	<b>19.3</b>	<b>18.5</b>	<b>243.6</b>	<b>199.2</b>
<b>Items Excluded from Operating Earnings:</b>				
<b>Net Revenues:</b>				
Weather - compared to normal	7.4	(3.9)	(5.2)	11.5
<b>Operating Expenses:</b>				
Environmental Costs	—	—	—	(10.0)
Transaction Costs	(0.5)	(1.1)	(2.2)	(3.1)
Gain (loss) on sale of assets and impairments, net	0.1	(1.1)	0.4	(1.2)
<b>Total items excluded from operating earnings</b>	<b>7.0</b>	<b>(6.1)</b>	<b>(7.0)</b>	<b>(2.8)</b>
<b>Other Income (Deductions):</b>				
Loss on early extinguishment of long-term debt	—	—	—	(97.2)
<b>Income Taxes:</b>				
Income taxes - discrete items	—	—	—	(3.3)
Tax effect of above items	(2.6)	2.4	2.7	38.3
<b>Total items excluded from net operating earnings</b>	<b>4.4</b>	<b>(3.7)</b>	<b>(4.3)</b>	<b>(65.0)</b>
<b>GAAP Income from Continuing Operations</b>	<b>\$ 23.7</b>	<b>\$ 14.8</b>	<b>\$ 239.3</b>	<b>\$ 134.2</b>
<b>Basic Net Operating Earnings Per Share</b>	<b>\$ 0.06</b>	<b>\$ 0.06</b>	<b>\$ 0.76</b>	<b>\$ 0.63</b>
<b>GAAP Basic Earnings Per Share from Continuing Operations</b>	<b>\$ 0.07</b>	<b>\$ 0.05</b>	<b>\$ 0.74</b>	<b>\$ 0.42</b>
<b>Basic Average Common Shares Outstanding</b>	<b>322.3</b>	<b>318.1</b>	<b>321.4</b>	<b>317.4</b>

**NiSource Inc.**  
**Gas Distribution Operations**  
**Reconciliation of Operating Earnings (Non-GAAP) to Operating Income (unaudited)**

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Non-GAAP</b>				
<b>Net Revenues</b>				
Gross revenues	\$ 396.3	\$ 385.5	\$1,961.1	\$ 2,337.0
Cost of Sales (excluding depreciation and amortization)	76.1	73.9	569.6	929.9
<b>Net Revenues</b>	<b>320.2</b>	311.6	<b>1,391.5</b>	1,407.1
<b>Operating Expenses</b>				
Operation and maintenance	205.6	187.4	608.6	588.2
Operation and maintenance - trackers	7.8	9.0	59.7	126.0
Depreciation and amortization	64.3	58.5	188.8	172.8
Other taxes	28.1	26.5	79.7	83.6
Other taxes - trackers	9.3	8.6	46.1	53.5
<b>Total Operating Expenses</b>	<b>315.1</b>	290.0	<b>982.9</b>	1,024.1
<b>Operating Earnings</b>	<b>\$ 5.1</b>	\$ 21.6	<b>\$ 408.6</b>	\$ 383.0
<b>Items Excluded From Operating Earnings:</b>				
<b>Net Revenues:</b>				
Weather - compared to normal	(0.8)	(0.8)	(15.9)	12.7
<b>Operating Expenses:</b>				
Loss on impairment of assets	—	(0.8)	—	(0.8)
<b>Total items excluded from operating earnings</b>	<b>(0.8)</b>	(1.6)	<b>(15.9)</b>	11.9
<b>GAAP Operating Income</b>	<b>\$ 4.3</b>	\$ 20.0	<b>\$ 392.7</b>	\$ 394.9

**Statistical Summary**

<b>Sales and Transportation (MMDth)</b>				
Residential	13.7	14.5	169.5	198.0
Commercial	16.3	16.4	114.7	130.2
Industrial	130.4	127.4	393.7	397.8
Off System	7.4	5.2	27.3	24.7
Other	—	0.1	—	(0.2)
<b>Total</b>	<b>167.8</b>	163.6	<b>705.2</b>	750.5
Weather Adjustment	0.8	0.9	19.5	(28.3)
<b>Sales and Transportation Volumes - Excluding Weather</b>	<b>168.6</b>	164.5	<b>724.7</b>	722.2
<b>Customers</b>				
Residential			3,088,512	3,058,415
Commercial			280,563	277,525
Industrial			7,519	7,233
Other			13	14
<b>Total</b>			<b>3,376,607</b>	3,343,187
<b>Heating Degree Days</b>	<b>33</b>	43	<b>3,297</b>	3,936
<b>Normal Heating Degree Days</b>	<b>85</b>	85	<b>3,608</b>	3,576
<b>% Colder (Warmer) than Normal</b>	<b>(61)%</b>	(49)%	<b>(9)%</b>	10%

**NiSource Inc.**  
**Electric Operations**  
**Reconciliation of Operating Earnings (Non-GAAP) to Operating Income (unaudited)**

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Non-GAAP</b>				
<b>Net Revenues</b>				
Gross Revenues	\$ 457.6	\$ 431.7	\$1,239.1	\$1,201.3
Cost of Sales (excluding depreciation and amortization)	142.0	135.2	380.0	377.5
Net Revenues	315.6	296.5	859.1	823.8
<b>Operating Expenses</b>				
Operation and maintenance	115.4	101.3	339.1	325.9
Operation and maintenance - trackers	12.2	8.9	33.0	23.8
Depreciation and amortization	58.7	63.0	182.7	188.4
Depreciation and amortization - trackers	8.2	5.6	20.1	10.9
Other taxes	16.5	16.1	43.4	49.4
Total Operating Expenses	211.0	194.9	618.3	598.4
<b>Operating Earnings</b>	<b>\$ 104.6</b>	<b>\$ 101.6</b>	<b>\$ 240.8</b>	<b>\$ 225.4</b>
<b>Items Excluded from Operating Earnings:</b>				
<b>Net Revenues:</b>				
Weather - compared to normal	8.2	(3.1)	10.7	(1.2)
<b>Operating Expenses:</b>				
Environmental costs	—	—	—	(10.0)
<b>Total items excluded from operating earnings</b>	<b>\$ 8.2</b>	<b>\$ (3.1)</b>	<b>\$ 10.7</b>	<b>\$ (11.2)</b>
<b>GAAP Operating Income</b>	<b>\$ 112.8</b>	<b>\$ 98.5</b>	<b>\$ 251.5</b>	<b>\$ 214.2</b>

**Statistical Summary**

<b>Sales (Gigawatt Hours)</b>				
Residential	1,147.5	1,001.9	2,744.9	2,584.6
Commercial	1,102.8	1,066.7	2,954.8	2,935.8
Industrial	2,356.3	2,270.3	7,072.2	6,990.7
Wholesale	2.3	76.9	3.6	194.8
Other	39.7	36.1	104.8	105.2
Total	4,648.6	4,451.9	12,880.3	12,811.1
Weather Adjustment	(121.3)	48.3	(156.8)	19.4
Sales Volumes - Excluding Weather	4,527.3	4,500.2	12,723.5	12,830.5
<b>Customers</b>				
Residential			405,895	403,468
Commercial			55,418	54,841
Industrial			2,341	2,351
Wholesale			742	746
Other			2	3
Total			464,398	461,409
<b>Cooling Degree Days</b>	<b>681</b>	<b>529</b>	<b>966</b>	<b>758</b>
<b>Normal Cooling Degree Days</b>	<b>570</b>	<b>570</b>	<b>799</b>	<b>799</b>
<b>% Warmer (Cooler) than Normal</b>	<b>19%</b>	<b>(7)%</b>	<b>21%</b>	<b>(5)%</b>

**NiSource Inc.**  
**Corporate and Other Operations**  
**Reconciliation of Operating Earnings (Non-GAAP) to Operating Income (unaudited)**

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Non-GAAP</b>				
<b>Operating Earnings Loss</b>	<b>\$ (3.0)</b>	<b>\$ (7.4)</b>	<b>\$ (9.1)</b>	<b>\$ (25.2)</b>
<b>Items Excluded from Operating Earnings:</b>				
<b>Operating Expenses:</b>				
Transaction costs	(0.5)	(1.1)	(2.2)	(3.1)
Gain (loss) on sale of assets and impairments, net	0.1	(0.3)	0.4	(0.4)
<b>Total items excluded from operating earnings</b>	<b>(0.4)</b>	<b>(1.4)</b>	<b>(1.8)</b>	<b>(3.5)</b>
<b>GAAP Operating Loss</b>	<b>\$ (3.4)</b>	<b>\$ (8.8)</b>	<b>\$ (10.9)</b>	<b>\$ (28.7)</b>

**Reconciliation of Consolidated Operating Earnings (Non-GAAP) to Operating Income**  
**(unaudited)**

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Operating Earnings (Non-GAAP)</b>				
Gas Distribution Operations	\$ 5.1	\$ 21.6	\$ 408.6	\$ 383.0
Electric Operations	104.6	101.6	240.8	225.4
Corporate & Other Operations	(3.0)	(7.4)	(9.1)	(25.2)
<b>Total Operating Earnings (Non-GAAP)</b>	<b>\$ 106.7</b>	<b>\$ 115.8</b>	<b>\$ 640.3</b>	<b>\$ 583.2</b>
<b>Items Excluded from Operating Earnings:</b>				
<b>Net Revenues:</b>				
Weather - compared to normal	7.4	(3.9)	(5.2)	11.5
<b>Operating Expenses:</b>				
Environmental costs	—	—	—	(10.0)
Transaction costs	(0.5)	(1.1)	(2.2)	(3.1)
Gain (loss) on sale of assets and impairments, net	0.1	(1.1)	0.4	(1.2)
<b>Total items excluded from operating earnings</b>	<b>7.0</b>	<b>(6.1)</b>	<b>(7.0)</b>	<b>(2.8)</b>
<b>GAAP Operating Income</b>	<b>\$ 113.7</b>	<b>\$ 109.7</b>	<b>\$ 633.3</b>	<b>\$ 580.4</b>



**NiSource Inc.**  
**Consolidated Income Statements (GAAP)**  
*(unaudited)*

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Net Revenues</b>				
Gas Distribution	\$ 212.3	\$ 208.9	\$ 1,244.3	\$ 1,595.5
Gas Transportation	180.0	172.1	689.5	739.9
Electric	465.5	428.4	1,249.2	1,198.7
Other	3.5	7.8	12.5	19.9
<b>Total Gross Revenues</b>	<b>861.3</b>	817.2	<b>3,195.5</b>	3,554.0
Cost of Sales (excluding depreciation and amortization)	218.2	209.1	949.6	1,307.3
<b>Total Net Revenues</b>	<b>643.1</b>	608.1	<b>2,245.9</b>	2,246.7
<b>Operating Expenses</b>				
Operation and maintenance	336.6	311.1	1,028.9	1,076.9
Depreciation and amortization	136.3	132.5	406.0	391.0
Loss (gain) on sale of assets and impairments, net	(0.1)	1.1	(0.4)	1.2
Other taxes	56.6	53.7	178.1	197.2
<b>Total Operating Expenses</b>	<b>529.4</b>	498.4	<b>1,612.6</b>	1,666.3
<b>Operating Income</b>	<b>113.7</b>	109.7	<b>633.3</b>	580.4
<b>Other Income (Deductions)</b>				
Interest expense, net	(85.0)	(94.9)	(261.5)	(285.9)
Other, net	3.5	5.8	(1.9)	11.6
Loss on early extinguishment of long-term debt	—	—	—	(97.2)
<b>Total Other Deductions</b>	<b>(81.5)</b>	(89.1)	<b>(263.4)</b>	(371.5)
<b>Income from Continuing Operations before Income Taxes</b>	<b>32.2</b>	20.6	<b>369.9</b>	208.9
<b>Income Taxes</b>	<b>8.5</b>	5.8	<b>130.6</b>	74.7
<b>Income from Continuing Operations</b>	<b>23.7</b>	14.8	<b>239.3</b>	134.2
Income (Loss) from Discontinued Operations - net of taxes	3.5	(19.7)	3.4	108.5
<b>Net Income (Loss)</b>	<b>27.2</b>	(4.9)	<b>242.7</b>	242.7
Less: Net income attributable to noncontrolling interest	—	—	—	15.6
<b>Net Income (Loss) attributable to NiSource</b>	<b>\$ 27.2</b>	\$ (4.9)	<b>\$ 242.7</b>	\$ 227.1
<b>Amounts attributable to NiSource:</b>				
Income from continuing operations	\$ 23.7	\$ 14.8	\$ 239.3	\$ 134.2
Income (Loss) from discontinued operations	3.5	(19.7)	3.4	92.9
<b>Net Income (Loss) attributable to NiSource</b>	<b>\$ 27.2</b>	\$ (4.9)	<b>\$ 242.7</b>	\$ 227.1
<b>Basic Earnings (Loss) Per Share</b>				
Continuing operations	\$ 0.07	\$ 0.05	\$ 0.74	\$ 0.42
Discontinued operations	0.01	(0.07)	0.02	0.30
<b>Basic Earnings (Loss) Per Share</b>	<b>\$ 0.08</b>	\$ (0.02)	<b>\$ 0.76</b>	\$ 0.72
<b>Diluted Earnings (Loss) Per Share</b>				
Continuing operations	\$ 0.07	\$ 0.05	\$ 0.74	\$ 0.42
Discontinued operations	0.01	(0.07)	0.01	0.29
<b>Diluted Earnings (Loss) Per Share</b>	<b>\$ 0.08</b>	\$ (0.02)	<b>\$ 0.75</b>	\$ 0.71
<b>Dividends Declared Per Common Share</b>	<b>\$ 0.165</b>	\$ 0.310	<b>\$ 0.640</b>	\$ 0.830
<b>Basic Average Common Shares Outstanding</b>	<b>322.3</b>	318.1	<b>321.4</b>	317.4
<b>Diluted Average Common Shares</b>	<b>323.9</b>	321.5	<b>323.2</b>	320.7

**NiSource Inc.**  
**Consolidated Balance Sheets (GAAP)**  
*(unaudited)*

<i>(in millions)</i>	<b>September 30, 2016</b>	December 31, 2015
<b>ASSETS</b>		
<b>Property, Plant and Equipment</b>		
Utility plant	\$ 19,856.9	\$ 18,946.9
Accumulated depreciation and amortization	(7,020.2)	(6,853.4)
Net utility plant	12,836.7	12,093.5
Other property, at cost, less accumulated depreciation	17.1	18.0
Net Property, Plant and Equipment	12,853.8	12,111.5
<b>Investments and Other Assets</b>		
Unconsolidated affiliates	6.5	6.9
Other investments	200.5	187.7
Total Investments and Other Assets	207.0	194.6
<b>Current Assets</b>		
Cash and cash equivalents	16.1	15.5
Restricted cash	13.8	29.7
Accounts receivable (less reserve of \$19.1 and \$20.3, respectively)	471.0	660.0
Gas inventory	323.6	343.5
Materials and supplies, at average cost	100.1	86.8
Electric production fuel, at average cost	110.0	106.3
Exchange gas receivable	16.9	21.0
Regulatory assets	262.9	206.9
Prepayments and other	64.1	107.5
Total Current Assets	1,378.5	1,577.2
<b>Other Assets</b>		
Regulatory assets	1,619.7	1,599.8
Goodwill	1,690.7	1,690.7
Intangible assets	245.4	253.7
Deferred charges and other	72.1	65.0
Total Other Assets	3,627.9	3,609.2
<b>Total Assets</b>	<b>\$ 18,067.2</b>	<b>\$ 17,492.5</b>

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

<i>(in millions, except share amounts)</i>	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>CAPITALIZATION AND LIABILITIES</b>		
<b>Capitalization</b>		
Common Stockholders' Equity		
Common stock - \$0.01 par value, 400,000,000 shares authorized; 322,564,310 and 319,110,083 shares outstanding, respectively	\$ 3.3	\$ 3.2
Treasury stock	(87.4)	(79.3)
Additional paid-in capital	5,135.6	5,078.0
Retained deficit	(1,060.9)	(1,123.3)
Accumulated other comprehensive loss	(179.0)	(35.1)
Total Common Stockholders' Equity	3,811.6	3,843.5
Long-term debt, excluding amounts due within one year	6,096.2	5,948.5
Total Capitalization	9,907.8	9,792.0
<b>Current Liabilities</b>		
Current portion of long-term debt	582.6	433.7
Short-term borrowings	1,059.0	567.4
Accounts payable	352.2	433.4
Dividends payable	53.1	—
Customer deposits and credits	255.2	316.3
Taxes accrued	130.9	183.5
Interest accrued	71.1	129.0
Exchange gas payable	58.2	62.3
Regulatory liabilities	107.2	231.4
Legal and environmental	38.6	37.6
Accrued compensation and employee benefits	136.0	141.3
Other accruals	67.5	121.6
Total Current Liabilities	2,911.6	2,657.5
<b>Other Liabilities and Deferred Credits</b>		
Risk management liabilities	264.5	22.6
Deferred income taxes	2,384.2	2,365.3
Deferred investment tax credits	13.8	14.8
Deferred credits	95.2	90.7
Accrued liability for postretirement and postemployment benefits	738.2	759.7
Regulatory liabilities	1,296.8	1,350.4
Asset retirement obligations	272.3	254.0
Other noncurrent liabilities	182.8	185.5
Total Other Liabilities and Deferred Credits	5,247.8	5,043.0
<b>Commitments and Contingencies</b>		
	—	—
<b>Total Capitalization and Liabilities</b>	<b>\$ 18,067.2</b>	<b>\$ 17,492.5</b>

**NiSource Inc.**  
**Statements of Consolidated Cash Flows (GAAP)**  
*(unaudited)*

Nine Months Ended September 30, <i>(in millions)</i>	2016	2015
<b>Operating Activities</b>		
Net Income	\$ 242.7	\$ 242.7
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Loss on early extinguishment of debt	—	97.2
Depreciation and amortization	406.0	391.0
Deferred income taxes and investment tax credits	137.7	60.1
Stock compensation expense and 401(k) profit sharing contribution	33.6	38.6
Income from discontinued operations - net of taxes	(3.4)	(108.5)
Amortization of discount/premium on debt	5.4	6.8
AFUDC equity	(8.8)	(7.7)
Other adjustments	(2.3)	11.3
Changes in Assets and Liabilities:		
Accounts receivable	188.2	420.3
Inventories	(0.7)	19.8
Accounts payable	(83.2)	(287.5)
Customer deposits and credits	(61.1)	(25.5)
Taxes accrued	(51.3)	(30.6)
Interest accrued	(57.9)	(63.1)
Exchange gas receivable/payable	(0.1)	(26.1)
Other accruals	(29.8)	(57.1)
Prepayments and other current assets	43.9	30.1
Regulatory assets/liabilities	(202.2)	259.6
Postretirement and postemployment benefits	(20.9)	(61.0)
Deferred credits	4.6	(1.3)
Deferred charges and other noncurrent assets	(3.0)	10.8
Other noncurrent liabilities	(4.6)	(13.6)
Net Operating Activities from Continuing Operations	532.8	906.3
Net Operating Activities from (used for) Discontinued Operations	(0.8)	287.6
<b>Net Cash Flows from Operating Activities</b>	<b>532.0</b>	<b>1,193.9</b>
<b>Investing Activities</b>		
Capital expenditures	(1,083.4)	(923.4)
Cash contributions from CPG	—	3,798.2
Proceeds from disposition of assets	3.4	4.3
Restricted cash withdrawals (deposits)	15.9	(3.0)
Cost of removal	(79.5)	(49.2)
Other investing activities	(24.6)	9.3
Net Investing Activities from (used for) Continuing Operations	(1,168.2)	2,836.2
Net Investing Activities used for Discontinued Operations	—	(430.0)
<b>Net Cash Flows from (used for) Investing Activities</b>	<b>(1,168.2)</b>	<b>2,406.2</b>
<b>Financing Activities</b>		
Cash of CPG at separation	—	(136.8)
Issuance of long-term debt	500.0	—
Repayments of long-term debt and capital lease obligations	(210.9)	(1,859.1)
Premiums and other debt related costs	(0.3)	(93.5)
Change in short-term borrowings, net	491.6	(1,396.6)
Issuance of common stock	16.8	17.9
Acquisition of treasury stock	(8.1)	(20.3)
Dividends paid - common stock	(152.3)	(214.0)
Net Financing Activities from (used for) Continuing Operations	636.8	(3,702.4)
Net Financing Activities from Discontinued Operations	—	108.6
<b>Net Cash Flows from (used for) Financing Activities</b>	<b>636.8</b>	<b>(3,593.8)</b>
Change in cash and cash equivalents from continuing operations	1.4	40.1
Change in cash and cash equivalents used for discontinued operations	(0.8)	(33.8)
Change in cash included in discontinued operations	—	0.5
Cash and cash equivalents at beginning of period	15.5	24.9
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 16.1</b>	<b>\$ 31.7</b>