



Assurance Statement

CH2M HILL evaluated NiSource Inc.'s 2014 Sustainability Report and the basis for its self-declaration of Global Reporting Initiative (GRI) Application Level B+, relative to the GRI reporting framework as detailed in the GRI G3.1 Guidelines. In addition, CH2M HILL recommended specific improvements for future reporting efforts.

Completeness

NiSource reported on all Management Approaches and all Profile Indicators regarding Strategy and Analysis; Organizational Profile; Report Parameters; and Governance, Commitment and Engagement, as included in the GRI G3.1 Guidelines. In addition, NiSource reported on the Organizational Profile Disclosures per the Electric Utility Sector Supplement 3.0. NiSource reported on the Performance Indicators of the greatest materiality to the organization within each category of performance indicator. NiSource has provided its level of compliance (partial or full) with GRI G3.1 Guidelines for each performance indicator. Performance is reported for over 100 indicators, including at least one indicator in each category. Performance is reported primarily in the body of the Sustainability Report, with references to documents such as the 2014 Form 10-K, the 2015 Proxy Statement, the Diversity & Inclusion Report, the Integrated Resources Plan, and the Greenhouse Gas Report, as well as to the NiSource website, for additional data and information.

In addition, NiSource conducted internal and external materiality surveys in 2014 to determine if NiSource was focusing on the sustainability issues that are of importance to its stakeholders. The survey was sent to management employees across NiSource's operations and achieved a 55 percent response rate. The external stakeholder survey achieved a 30 percent response rate. The materiality survey process will support NiSource's transition from reporting under the GRI G3.1 Guidelines to the GRI G4 Guidelines.

Assurance Approach

CH2M HILL's assurance activities included conference calls with senior NiSource staff responsible for report preparation to discuss materiality and the report preparation process; recommendations from the 2013 Sustainability Report review; multiple readings of the NiSource draft 2014 Sustainability Report; review of reference documents; and comparison to the 2013 Sustainability Report to evaluate any improvements.

After we reviewed the initial draft of the report, we identified improvements for several Profile and Performance Indicators to provide greater transparency and better consistency with GRI G3.1 and EUSS 3.0 Guidelines. NiSource addressed these comments in the final version of the report.

Recommendations for Improvement

CH2M HILL has identified several areas for improvement, primarily to prepare for the transition to GRI G4. The new GRI G4 Guidelines require reporting efforts to center on materiality - impacts, risks and opportunities. They also require key enhancements on disclosures on governance, ethics and integrity, supply chain, anti-corruption and GHG

emissions. Recommendations for making the transition to G4 include: building upon the materiality surveys to create a systematic process for ongoing materiality assessment; formalization of the stakeholder engagement strategy and improved tracking and documentation of stakeholder feedback; developing processes for supply chain sustainability assessment, management, and disclosure; and documenting the relationship of the NiSource sustainability program with long-term organizational strategy, risks, and opportunities.

NiSource has taken steps to initiate a structure process for materiality assessment, which includes conducting the 2014 internal and external materiality survey. The feedback from the survey has been included in the 2014 Sustainability Report and GRI Reporting. We submitted additional written recommendations for improvement to NiSource.

Key Findings

Based on the scope and limitations of our review:

- Based on the verbal and written information provided by NiSource during the assessment, nothing has come to our attention which causes us to believe that the information reported by NiSource in the 2014 Sustainability Report has been materially misstated.
- We found that the NiSource 2014 Sustainability Report represents an overall improvement in reporting from the 2013 Sustainability Report, based on an increased number of indicators reported, increased information, the clarity of information provided, and the inclusion of the feedback from the materiality surveys.
- Based on the verbal and written information provided by NiSource during the assessment, we found that the NiSource 2014 Sustainability Report provides a reliable representation of NiSource's economic, environmental and social performance and that it meets the intent of the GRI 3.1 reporting framework with respect to boundary, balance, materiality, and quality. Nothing has come to our attention to cause us to believe that the NiSource self-declared application level of B+, in relation to its reporting against the GRI G3.1 Sustainability Reporting Guidelines, is materially misstated.

This independent statement is not intended to identify all errors, omissions or misstatements in the NiSource 2014 Sustainability Report and third parties should not rely on it as a statement that there are no such errors, omissions or misstatements.

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May 26, 2015

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May 20, 2015