

# 2015



# INDUSTRY-LEADING SAFETY PERFORMANCE

While it's an ambitious goal, we are determined to deliver on our commitment of industry-leading safety performance.

This goal lies in our fundamental desire to keep people safe – equally applied to our employees and business partners, as well as our customers and communities. For employees and business partners, we've

established milestones that set us at top decile of industry performance. It's the most important thing we do and an absolute expectation for ourselves and all who contribute to our work.

To track our progress, we measure three key employee areas, including preventable vehicle accidents; Days Away, Restricted or

**Our safety goal is always to be incident-free.**

Transferred (DART); and Occupational Safety and Health Administration (OSHA) recordable incidents.

To keep our systems safe, we consider two primary measures – emergency response time and locate accuracy.

Measure	Milestone	2015 Status	2014 Status	Current Performance
<b>DART Rate</b>	<b>Top Decile by YE 2017</b>	<b>1.03</b>	<b>0.93</b>	<b>Ahead</b> of Industry Average
<b>OSHA Incidence Rate</b>	<b>Top Decile by YE 2017</b>	<b>1.74</b>	<b>1.44</b>	<b>Ahead</b> of Industry Average
<b>Vehicle Collisions</b>	<b>Top Decile by YE 2017</b>	<b>2.14</b>	<b>2.20</b>	<b>Top Quartile</b>
<b>Facility Damage Prevention</b> <i>[per 1,000 Facility Locates]</i>	<b>Top Quartile by 2018</b>	<b>2.87</b>	<b>3.12</b>	<b>Approaching</b> Industry Average
<b>Emergency Response Time</b>	<b>98% of Emergency Response &lt;45 minutes by YE 2016</b>	<b>92.74 %</b>	<b>98.6 %</b> <i>[Target - 98% Within 60 Minutes]</i>	<b>Ahead</b> of Industry Average

## TOP-TIER CUSTOMER SATISFACTION

Our goal is to be in the top 25 percent of our peers when it comes to customer satisfaction. We measure this primarily through an aggregate of all of our companies' J.D. Power scores. To stay responsive to our customers' expectations, we listen to feedback from our customers and have built our roadmap to enhance the experience our customers have in doing business with us.

A key component of meeting customer expectation is to arrive when our customers expect us. Our goal is to be industry-leading – arriving on time 99 percent of the time – by year-end 2017.

We also strive to provide our customers with the information they need. Our companies offer a variety of programs and events to

**Our goal of top-tier customer satisfaction reflects our aspiration to improve our customers' lives by making it easy to do business with us.**

connect our customers with the services and support they need to be able to pay or lower their utility bills and improve the comfort of their homes, whether through rebates and incentives for energy-efficient upgrades, home check-ups or winterization services.

Measure	Milestone	2015 Status	2014 Status	Current Performance
J.D. Power Residential Score	First Quartile by YE 2018	Second Quartile	Third Quartile	In Line with Industry Average
On-Time Appointment Rate	99% by YE 2017	97.49%	96.7%	In Line with Industry Average
LiHEAP Funding	Advocate for Full Funding	\$68 M	\$57.9 M	-
Energy Efficiency – Customer Participation	-	~525,000	~498,819	-
Energy Efficiency – Energy/Dollars Saved	-	17,746,506 therms 124,926 MWh \$9,687,644	12,384,246 therms 55,000 MWh \$7,301,884	-

# INVESTMENTS THAT SYSTEMATICALLY AND EFFICIENTLY DELIVER SERVICE INTEGRITY

As part of our long-term strategy, NiSource is making significant investments in our infrastructure, including ~\$30 billion in long-term system modernization and growth programs spanning the next 20+ years.

Our progress on this commitment to modernize our system is measured in a variety of ways, including capital investment, methane reduction, leak reduction and the diversity of our supply chain. We also report and track a number of measures related to the environmental performance of NiSource – where our goal is always to manage and improve our performance. Our environmental measures and performance are available in our full Sustainability Report.

Part of our commitment to invest includes the use of diverse suppliers that reflect the communities where we do business. Central to our vision is a supplier diversity program that strengthens and widens the playing field for qualified suppliers that are typically underutilized in the supply chain of a large corporation.

Building relationships with diverse suppliers expands our supplier network, which means

we harness innovative ideas and processes, gain a competitive advantage and assist in building community infrastructure through employment and training.

To track our progress, we look at total spend with diverse suppliers, the number of diverse suppliers we use and the percentage of diverse suppliers with which we spend more than one million dollars annually.

Measure	Milestone	2015 Status	2014 Status	Current Performance
Capital Investment	~\$1.4B Annual Investment	\$1.37B	\$1.3B	On Track
EPA Natural Gas STAR Methane Challenge	1.5% per year replacement -145,000 metric tons CO2e over five years	Founding Member - Launched March 2016	N/A	On Track
Total Diverse Supplier Spend	2016: 7% 2020: 10-12%	5.5%	7.7%	Approaching Milestone
NiSource Diverse Suppliers	2016: 2.8% 2020: 5%	2.6%	2.4%	On Track
NiSource Diverse Supplier Spend \$1 M+	2016: 9% 2020: 12%	9.3%	6%	On Track

## RECOGNIZED AMONG THE BEST PLACES TO WORK BY ALL IN OUR COMMUNITIES

We want NiSource to be an employer of choice, where our employees are excited to work, grow and build a career.

Through our robust hiring process, we ensure we have the right people in place who support our values. We give them the appropriate tools to perform their jobs, while fostering an inclusive workplace culture where all employees feel supported and have opportunities for growth and development.

While a lot goes into being seen as a best place to work, we measure development and engagement. Our primary measure for employee engagement is through our annual survey.

After a year hiatus from the employee

engagement survey during the separation of our pipeline, storage and midstream business, we will have a new benchmark to measure from starting in 2016.

Measure	Milestone	2015 Status	2014 Status
Employee Engagement	Recognized as a High-Performing Organization	New Benchmark in 2016	78%
Recommend NiSource as a Great Place to Work	Recognized as a High-Performing Organization	New Benchmark in 2016	80%
Dollars for Doers Volunteer Hours	10,000 Hours per Year	~12,000	~12,345
New Hire Experience Index	Baseline to be Set in 2016	New Measure in 2016	-



## DEFINITIONS

**Customer Satisfaction:** This metric is based on a third-party customer survey measuring the percent of LDC customers who say we met or exceeded their expectations in a recent interaction.

**Facility Damage Prevention:** The number of excavation and demolition damages to underground facilities per one thousand locate requests received through a state one-call center in a given time period.

**Days Away Restricted or Transferred Rate (DART):** The number of OSHA recordable incidents that resulted in lost time, restricted or transferred to other work incidents for every 200,000 hours worked (or approximately per every 100 employees).

**Emergency Response Time:** The percent of the time a gas LDC responds to an

emergency (odor of gas) in less than 45 minutes.

**NiSource Diverse Suppliers:** Measures the percentage of all suppliers across our companies that fall within the definition of diverse supplier.

**NiSource Diverse Supplier Spend \$1M+:** Percentage of diverse suppliers with which we spend more than one million dollars annually.

**On-Time Appointment Rate:** The percent of customer-generated appointments that are met within the appointment window or according to state regulation, where applicable.

**OSHA Incidence Rate:** The number of OSHA recordable incidents for every 200,000 hours worked (or approximately per every 100 employees). Contractor measure is of

business partners completing capital project construction.

**JD Power Residential Score:** A quarterly survey sent out by J.D. Power that ranks us in many customer service related topics.

**New Hire Experience Index:** Combines a number of factors including retention, safety and engagement to assess our effectiveness in recruiting and bringing new employees on board.

**Total Diverse Supplier Spend:** Percentage of total supplier dollars spent with diverse suppliers.

**Vehicle Collisions:** A measure of the number of company vehicle accidents deemed "preventable" under a reasonable standard.

### Forward-Looking Statements

This report contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Examples of forward-looking statements in this report include statements and expectations regarding NiSource's business, performance, infrastructure investments and growth. Factors that could cause actual results to differ materially from the projections, forecasts, estimates, plans and expectations discussed in this report include, but are not limited to, NiSource's debt obligations; any changes in NiSource's credit rating; NiSource's ability to execute its growth strategy; changes in general economic, capital and commodity market conditions; economic regulation and the impact of regulatory rate reviews; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential and commercial customers; economic conditions of certain industries; the price of energy commodities and related transportation costs; the reliability of customers and suppliers to fulfill their payment and contractual obligations; potential incidents and other operating risks associated with our business; the impact of an aging infrastructure; the impact of climate change; potential cyber-attacks; risks associated with construction and natural gas cost and supply; extreme weather conditions; and other matters referenced in the "Risk Factors" section of NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in other filings with the Securities and Exchange Commission. NiSource expressly disclaims any duty to update, supplement or amend any of its forward-looking statements contained in this report, whether as a result of new information, subsequent events or otherwise, except as required by applicable law.



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On July 1, 2015, NiSource separated its natural gas pipeline, storage and midstream business into an independent publicly traded company. All information within this scorecard reflects our current business operations only.