

W0. Introduction

W0.1

**(W0.1) Give a general description of and introduction to your organization.**

NiSource serves nearly 4 million natural gas and electric customers across six states under our Columbia Gas and NIPSCO brands, and we employ over 7,500 people of our neighbors who are engaged in the communities we serve, making them great places to live and call home.

We are relentlessly focused on serving customers in a way that is safe, reliable, environmentally responsible and sustainable. We have developed and are actively implementing plans that result in a 90% reduction in water withdrawal and discharge by 2025, and a 99% reduction of in water withdrawal and discharge by 2030 (from a 2005 baseline) through the retirement of all of our coal-fired electric generation. As of the end of 2020, we already reduced our withdrawal and discharge by more than 90% from 2005 levels, which is equivalent to approximately 100 billion gallons of water per year. (For reference, this volume of water is contained in approximately 200,000 Olympic-size swimming pools.)

Overall, we are pursuing a sustainability strategy that includes approximately \$40 billion of long-term infrastructure and safety investments over 20 years. As part of NIPSCO's planned replacement of approximately 1,400 megawatts of retiring coal-fired generation in 2023, we have identified approximately \$2 billion in capital investment opportunities, to be deployed primarily across 2022 and 2023. These investments in renewable energy will provide benefits for customers and value for shareholders. The overall replacement plan is expected to save NIPSCO's electric customers more than \$4 billion in costs over 30 years when compared to the continued operation of NIPSCO's current generation fleet.

In 2020, NiSource was named to the Dow Jones Sustainability Index -- North America in recognition of our sustainable business practices and performance for the seventh consecutive year. We also received a 'AA' ESG rating from MSCI in 2021.

Thank you for reviewing this questionnaire and acknowledging our progress.

W-EU0.1a

**(W-EU0.1a) Which activities in the electric utilities sector does your organization engage in?**

- Electricity generation
- Transmission
- Distribution

W-EU0.1b

**(W-EU0.1b) For your electricity generation activities, provide details of your nameplate capacity and the generation for each technology.**

	Nameplate capacity (MW)	% of total nameplate capacity	Gross electricity generation (GWh)
Coal – hard	2080	71.3	5060.3
Lignite	0	0	0
Oil	0	0	0
Gas	726	24.9	3446.6
Biomass	0	0	0
Waste (non-biomass)	0	0	0
Nuclear	0	0	0
Fossil-fuel plants fitted with carbon capture and storage	0	0	0
Geothermal	0	0	0
Hydropower	10	0.3	33
Wind	100	3.4	0
Solar	0.3	0.01	0.5
Marine	0	0	0
Other renewable	0	0	0
Other non-renewable	0	0	0
Total	2916	100	8540.4

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Water security for NIPSCO electric generating stations is reported in this disclosure.	The NiSource natural gas distribution companies use 'de minimis' volumes of water by comparison to NIPSCO electric generation.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	We utilize freshwater in operations pertaining to our two coal-fired generating stations and one combined cycle natural gas turbine generating station. Additionally, we operate two hydroelectric facilities. Abundant water is critical for continued operations. After the retirement of our coal-fired Bailly Generating Station in 2018, we have already reduced our water withdrawal volumes by 91% from 2005 levels.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	We utilize internally recycled water from our circulating water system for use in flue gas desulfurization (FGD). After recycling, water is treated prior to discharge. Furthermore, in 2018 and 2019, NIPSCO invested nearly \$200 million to install closed cycle, submerged flight conveyor systems at its R.M. Schahfer and Michigan City Generating Stations that has increased water recycling and decreased water discharge.

W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Indiana Department of Natural Resources requires monitoring and reporting of Significant Withdrawal data on an annual basis.
Water withdrawals – volumes by source	76-99	Water withdrawals, including groundwater, are tracked at all generating stations for the annual significant withdrawal report.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	76-99	In order to provide the water quality for our operations, general water quality of the raw water sources is monitored and evaluated prior to additional in-house water treatment. In addition, where groundwater is used as a potable source water, the water quality is monitored in accordance with requirements from the U.S. Environmental Protection Agency as well as the Indiana Department of Environmental Management and the Department of Health.
Water discharges – total volumes	76-99	Discharge water volume is a required datum reported in the Clean Water Act required Discharge Monitoring Report (DMR) submitted to the Indiana Department of Environmental Management for compliance with the National Pollution Discharge Elimination System (NPDES) program.
Water discharges – volumes by destination	76-99	DMRs are facility specific.
Water discharges – volumes by treatment method	76-99	DMRs are facility specific, which utilize a single treatment approach.
Water discharge quality – by standard effluent parameters	76-99	All NIPSCO generating units' discharged water quality is tested in accordance with the parameters identified in the applicable NPDES permit, in accordance with the Clean Water Act, and reported through the NPDES programs DMR process.
Water discharge quality – temperature	76-99	Discharge water temperature is a required datum reported in the Clean Water Act required Discharge Monitoring Report (DMR) submitted to the Indiana Department of Environmental Management for compliance with the National Pollution Discharge Elimination System (NPDES) program.
Water consumption – total volume	76-99	Estimated based on the mathematical difference between the total withdrawal and discharge volumes. Engineering estimates are applied to account for loss from evaporation in the application of cooling tower technology.
Water recycled/reused	1-25	Water is redirected, as needed, and reused in select operations including main system service water, non-contact cooling purposes, and as make-up to environmental control equipment such as the flue gas desulfurization units.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All NiSource facilities provide water of adequate quality for purposes of drinking, sanitation, and hygiene.

**W-EU1.2a**

**(W-EU1.2a) For your hydropower operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations measured and monitored	Please explain
Fulfillment of downstream environmental flows	100%	We monitor dissolved oxygen as required by our FERC (Federal Energy Regulatory Commission) license. In addition, during periods of low flow, we implement our abnormal low flow plan, as required by U.S. Fish & Wildlife Service (USFWS) to protect existing endangered mussel habitat.
Sediment loading	Not monitored	
Other, please specify	Not relevant	

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	38725	Much lower	25% decrease from 2019, largely from reduced coal generation.
Total discharges	21486	Much lower	28% decrease from 2019, largely from reduced coal generation
Total consumption	17239	Much lower	20% decrease from 2019

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	About the same	WRI Aqueduct	We have reduced water withdrawal volumes by 91% since 2005, but our remaining water withdrawal is primarily by our R.M. Schahfer Generating Station from the Kankakee River Basin, an area of 'high water stress' as indicated by the WRI Aqueduct Tool. In 2020, the Midcontinent Independent System Operator (MISO) approved NIPSCO's plan to retire the four coal-fired generating units at R.M. Schahfer Generating Station in 2023. (On March 11, 2021, NIPSCO submitted modified Attachment Y Notices to MISO requesting an updated retirement date for two of the four coal fired units at R.M. Schahfer Generating Station. The two units are now expected to be retired by the end of 2021, with the remaining two units still scheduled to be retired in 2023.) During times of acute water stress, we also coordinate with the Indiana Department of Natural Resources to minimize our impact.

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	36355	Much lower	27% decrease from 2019, largely from reduced coal generation.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Relevant	2370	Much lower	20% decrease from deep groundwater wells at the R.M. Schahfer Generating Station
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Not relevant	<Not Applicable>	<Not Applicable>	

## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	21486	Much lower	28% decrease from 2019, largely from reduced coal generation
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	
Third-party destinations	Not relevant	<Not Applicable>	<Not Applicable>	

## W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Our wastewater treatment plant at the R.M. Schahfer Generating Station provides tertiary treatment for certain volumes of discharge.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Relevant	21486	Much lower	100%	100% of our electric generation process water discharge receives primary treatment.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

## W-EU1.3

(W-EU1.3) Do you calculate water intensity for your electricity generation activities?

Yes

### W-EU1.3a

(W-EU1.3a) Provide the following intensity information associated with your electricity generation activities.

Water intensity value (m3)	Numerator: water aspect	Denominator	Comparison with previous reporting year	Please explain
4.53	Total water withdrawals	MWh	About the same	The numerator in this intensity calculation is water withdrawal in cubic meters, and the denominator is gross generation in MWh.
2.02	Total water consumption	MWh	About the same	The numerator in this intensity calculation is water consumption in cubic meters, and the denominator is gross generation in MWh.

W1.4

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**(W1.4) Do you engage with your value chain on water-related issues?**

No, we do not engage on water with our value chain

W1.4d

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**(W1.4d) Why do you not engage with any stages of your value chain on water-related issues and what are your plans?**

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	

W2. Business impacts

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W2.1

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

W2.2

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

W3. Procedures

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W-EU3.1

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**(W-EU3.1) How does your organization identify and classify potential water pollutants associated with your business activities in the electric utilities sector that could have a detrimental impact on water ecosystems or human health?**

The U.S. Environmental Protection Agency and Indiana Department of Environmental Protection establish environmental regulations applicable to the electric utilities sector. These regulations identify potential water pollutants as well as the monitoring requirements.

W-EU3.1a

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**(W-EU3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants associated with your activities in the electric utilities sector on water ecosystems or human health.**

Potential water pollutant	Description of water pollutant and potential impacts	Management procedures	Please explain
Hydrocarbons	Oil and associated products are restricted, via federal regulation, from being released into the water system.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Community/stakeholder engagement Emergency preparedness	All NIPSCO electric generating units must comply with the requirements of the Clean Water Act via the National Pollutant Discharge Elimination System (NPDES) program. Compliance with the NPDES program includes monitoring our water discharge for hydrocarbons. In addition, the Spill Prevention, Control, and Countermeasure (SPCC) and the Facility Response Plan (FRP) rules require planning and prevention plans are implemented. The SPCC rule helps facilities prevent a discharge of oil into navigable waters or adjoining shorelines. The FRP rule requires certain facilities to submit a response plan and prepare to respond to a worst case oil discharge or threat of a discharge.
Coal combustion residuals	Coal combustion residuals (CCRs) are restricted, via federal regulation, from being released into the water system.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Community/stakeholder engagement Emergency preparedness	All NIPSCO electric generating units must comply with the requirements of the Clean Water Act via the National Pollutant Discharge Elimination System (NPDES) program. In addition to traditional effluent discharge monitoring, facilities with combustion waste impoundments are required to evaluate the impoundments for potential discharge via seepage and/or failure of the structural integrity of the impoundment. The NIPSCO coal combustion residual impoundments are routinely monitored for compliance with applicable federal regulations.
Thermal pollution	Adverse thermal discharge is restricted, via federal regulation, from being released into the water system.	Compliance with effluent quality standards Community/stakeholder engagement	All NIPSCO electric generating units must comply with the requirements of the Clean Water Act via the National Pollutant Discharge Elimination System (NPDES) program. Compliance with the NPDES program and section 316(a) of the CWA includes controlling and monitoring our thermal discharge.
Other, please specify (Metals, Nutrients, and Organic Compounds)	Numerous chemical pollutants and characteristics, including metals, nutrients, and organic compounds are restricted, via federal regulation, from being released into the water system.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages Community/stakeholder engagement Emergency preparedness	All NIPSCO electric generating units must comply with the requirements of the Clean Water Act via the National Pollutant Discharge Elimination System (NPDES) program with monitoring and compliance programs for numerous potential water pollutants beyond the above listed measures taken for hydrocarbons, coal combustion residuals, and thermal discharge. We are subject to regulations covering hundreds of potential pollutants including chemical, biological, and physical characteristics.

**W3.3**

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

**Direct operations**

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Enterprise Risk Management

**Tools and methods used**

Please select

**Comment**

**Supply chain**

**Coverage**

None

**Risk assessment procedure**

<Not Applicable>

**Frequency of assessment**

<Not Applicable>

**How far into the future are risks considered?**

<Not Applicable>

**Type of tools and methods used**

<Not Applicable>

**Tools and methods used**

<Not Applicable>

**Comment**

**Other stages of the value chain**

**Coverage**

None

**Risk assessment procedure**

<Not Applicable>

**Frequency of assessment**

<Not Applicable>

**How far into the future are risks considered?**

<Not Applicable>

**Type of tools and methods used**

<Not Applicable>

**Tools and methods used**

<Not Applicable>

**Comment**

**W3.3b**

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**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	USGS (United States Geological Survey) station data are monitored for water availability and low level conditions.
Water quality at a basin/catchment level	Relevant, always included	The NIPSCO Chemical Compliance department monitors raw water quality. These data are used to guide our pretreatment operations as well as to provide input towards future potential water quality issues.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	We actively participate in stakeholder groups and consider the concerns of our stakeholders, one of which routinely assesses and evaluates water access.
Implications of water on your key commodities/raw materials	Not relevant, explanation provided	The raw materials used in our electric generating facilities (e.g. coal) are not transported via water.
Water-related regulatory frameworks	Relevant, always included	We frequently interact with local, state, and federal agencies. Our Environmental Policy team is responsible for evaluating the regulatory framework affecting our business operations.
Status of ecosystems and habitats	Relevant, always included	Our Environmental Natural Resource Permitting team monitors and guides our operations relative to ecosystems and various habitats.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Our Environmental and Industrial Hygiene teams are responsible for managing our potable water program to provide adequate water to employees for personal use.
Other contextual issues, please specify	Not considered	

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We are relentlessly focused on serving customers in a way that is safe, reliable, environmentally responsible, and sustainable. Customer survey responses and other customer feedback are received and considered in our planning process.
Employees	Relevant, always included	Employee knowledge and innovation are extremely valuable. Accordingly, their input is of great value and always considered in our risk assessments and planning process.
Investors	Relevant, always included	Investors rely on us to deliver on our business objectives. Furthermore, NiSource is an investor-owned company, governed by our Board of Directors which receive information and provide direction in all aspects of our operation via our commitment to transparency.
Local communities	Relevant, always included	NiSource is active within our communities in which we live and operate. We consider the impacts on local communities in our risk assessments.
NGOs	Relevant, always included	NiSource employees actively participate in numerous non-governmental organizations. We operate in a transparent manner with NGOs which, we believe, provides us the best opportunity to work in a collaborative manner towards goals that best serve all stakeholders.
Other water users at a basin/catchment level	Not relevant, explanation provided	Included in the other groups identified (customers, employees, NGOs).
Regulators	Relevant, always included	NiSource routinely collaborates with our regulators to ensure compliance with applicable environmental regulations.
River basin management authorities	Relevant, always included	NiSource employees actively participate in the local river basin management groups. As with NGOs and other stakeholders, we operate in a transparent manner.
Statutory special interest groups at a local level	Not relevant, explanation provided	Included in the other groups identified (customers, employees, NGOs).
Suppliers	Not relevant, explanation provided	NIPSCO continues to work with suppliers of our water treatment chemicals to ensure the use and application of additives that meet federal, state, and local water quality standards.
Water utilities at a local level	Relevant, always included	As part of our local stakeholders, NIPSCO actively interfaces with our local water utility to ensure our operations do not negatively impact the public water supply.
Other stakeholder, please specify	Not relevant, explanation provided	Included in the other groups identified (customers, employees, NGOs).

**W3.3d**

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Water-related risks are identified throughout the year using data from local databases as well as internal monitoring of water quality and water levels. Weekly meetings with internal staff provide an opportunity for risk to be shared and appropriate responses developed.

In addition, a corporate Risk Management Committee meets regularly to assess and respond to risks that may impact the company. Risks are documented and managed at a team, operating company, business unit or corporate levels in accordance with our enterprise risk management (ERM) framework.

Also, the Environmental, Safety and Sustainability (ESS) Committee of the NiSource Board of Directors oversees programs, performance and risks relative to environmental, safety and sustainability matters, including water-related issues. The ESS Committee meets a minimum of four times annually. The Environmental Safety and Sustainability charter for the Committee can be found on the NiSource website at <https://www.nisource.com/investors/governance>.



## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

### W4.1a

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**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

NiSource measures risk relative to our Stakeholder Commitments and Strategic Priorities. The Commitments and Priorities are reviewed annually by the Executive Leadership Team, the Risk Management Committee, the Strategy Council, and Executive Safety Council. Underpinning the Commitments and Priorities are specific goals/performance objectives around safety, reliability, customer satisfaction, and financial performance, among others.

Goals/performance objectives are defined at multiple levels: team, operating company, business unit, or corporate. Generally, NiSource considers impacts to be substantive if they could interfere with the achievement of important goals/performance objectives. The importance is a reflection of the current business context including internal and external factors.

Risks are documented and managed at a team, operating company, business unit or corporate levels in accordance with our enterprise risk management (ERM) framework.

### W4.1b

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**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	4	76-99	These include two coal-fired electric generating stations that withdraw water from the Kankakee River, one gas-fired electric generating station that withdraws water from the Wabash River, and two hydroelectric facilities located on the Tippecanoe River.

### W4.1c

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(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

United States of America	Other, please specify (Kankakee River)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Unknown

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

26-50

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Unknown

Comment

R.M. Schahfer Generating Station

Country/Area & River basin

United States of America	Other, please specify (Wabash River)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Unknown

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

26-50

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Unknown

Comment

Sugar Creek Generating Station

Country/Area & River basin

United States of America	Other, please specify (Tippecanoe River)
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Number of facilities exposed to water risk

2

% company-wide facilities this represents

Unknown

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

Less than 1%

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Unknown

Comment

Norway and Oakdale Hydroelectric Plants

W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

United States of America	Other, please specify (All: Kankakee, Wabash, and Tippecanoe Rivers)
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**Type of risk & Primary risk driver**

Please select

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

NIPSCO electric generation relies on adequate water for non-contact cooling and hydroelectric generation. Insufficient water or poor water quality would limit our ability to operate. NIPSCO operates in areas of where sufficient quality water is available. Accordingly, the probability of a substantive impact is low.

**Timeframe**

Unknown

**Magnitude of potential impact**

Unknown

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

NIPSCO has identified a water reduction plan. Based on baseline NIPSCO volumes from 2005, we are progressing towards our goal to reduce water withdrawal and water discharge by 90% by 2025 and 99% by 2030.

**Cost of response**

**Explanation of cost of response**

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Reduced impact of product use on water resources

**Company-specific description & strategy to realize opportunity**

We have developed an Integrated Resource Plan that results in a projected 90% reduction of our water withdrawal and discharge by 2025, and a 99% reduction by 2030, through the retirement of all of our coal-fired electric generation. The transition is expected to provide approximately \$4 billion in cost-savings to our electric customers over the long-term. In summary, we expect to significantly reduce water risk while providing long-term cost savings to our customers.

**Estimated timeframe for realization**

More than 6 years

**Magnitude of potential financial impact**

High

**Are you able to provide a potential financial impact figure?**

Please select

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Through the retirement of all of our coal-fired electric generation by 2028 and transition to renewable energy, we expect to provide \$4 billion in long-term cost savings to customers. We have not yet quantified the financial impact of reduced water risk.

**W5. Facility-level water accounting**

**W5.1**

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name (optional)**

R.M. Schahfer Generating Station

**Country/Area & River basin**

United States of America	Other, please specify (Kankakee River)
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**Latitude**

41.247197

**Longitude**

-87.024444

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

Coal - hard

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

23424

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

21057

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

2367

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

13195

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

13195

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

10229

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Water withdrawal and discharge volumes are based on metered volumes reported to applicable regulatory agencies.

**Facility reference number**

Facility 2

**Facility name (optional)**

Sugar Creek Generating Station

**Country/Area & River basin**

United States of America	Other, please specify (Wabash River)
--------------------------	--------------------------------------

**Latitude**

39.384038

**Longitude**

-87.5125

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

Gas

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

3660

**Comparison of total withdrawals with previous reporting year**

Much lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

3660

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

1189

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

1189

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

2471

Comparison of total consumption with previous reporting year

Much lower

Please explain

Water withdrawal and discharge volumes are based on metered volumes reported to applicable regulatory agencies.

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W5.1a

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(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

**Water withdrawals – total volumes**

**% verified**  
76-100

**What standard and methodology was used?**  
Data submitted to Trinity Consultants for external validation.

**Water withdrawals – volume by source**

**% verified**  
76-100

**What standard and methodology was used?**  
Data submitted to Trinity Consultants for external validation.

**Water withdrawals – quality**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water discharges – total volumes**

**% verified**  
76-100

**What standard and methodology was used?**  
Data submitted to Trinity Consultants for external validation.

**Water discharges – volume by destination**

**% verified**  
76-100

**What standard and methodology was used?**  
Data submitted to Trinity Consultants for external validation.

**Water discharges – volume by treatment method**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water discharge quality – quality by standard effluent parameters**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water discharge quality – temperature**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

**Water consumption – total volume**

**% verified**  
76-100

**What standard and methodology was used?**  
Data submitted to Trinity Consultants for external validation.

**Water recycled/reused**

**% verified**  
Not verified

**What standard and methodology was used?**  
<Not Applicable>

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**W6. Governance**

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**W6.1**

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**(W6.1) Does your organization have a water policy?**

No, but we plan to develop one within the next 2 years

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board-level committee	The Environmental, Safety and Sustainability (ESS) Committee oversees programs, performance and risks relative to environmental, safety and sustainability matters, including water-related issues. The ESS Committee meets a minimum of four times annually. The Environmental Safety and Sustainability charter for the Committee can be found on the NiSource website at <a href="https://www.nisource.com/investors/governance">https://www.nisource.com/investors/governance</a> .

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled -- some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	

**W6.3**



(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Other, please specify (VP, Federal Government Affairs, Environmental and Sustainability)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

This person is directly responsible for managing information on water-related policy and compliance.

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**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Responsibility**

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

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**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (SVP, Strategy and Chief Risk Officer)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

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**Name of the position(s) and/or committee(s)**

Risk committee

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

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**Name of the position(s) and/or committee(s)**

Chief Operating Officer (COO)

**Responsibility**

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

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W6.4

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(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

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(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

W6.5a

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**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Our management team regularly meets and reviews our policy activities to ensure they are consistent with our overall Environmental, Health and Safety policy, our Stakeholder Commitments, and our target to reduce water withdrawal and discharge by 90% by 2025 and 99% by 2030. Our environmental metrics are assessed and reported to management on a regular basis to track progress toward these targets.

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

NiSource-10K-2020.pdf

NiSource 2020 Integrated Annual Report.pdf

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	Our Integrated Resource Plan (IRP) is updated at a minimum of every 3 years. The IRP addresses the planning for the next 20 years of operation. Water withdrawal and discharge targets are identified through 2030.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	16-20	Our Integrated Resource Plan (IRP) is updated at a minimum of every 3 years. The IRP addresses the planning for the next 20 years of operation. Water withdrawal and discharge targets are identified through 2030.
Financial planning	Yes, water-related issues are integrated	16-20	Our Integrated Resource Plan (IRP) is updated at a minimum of every 3 years. The IRP addresses the planning for the next 20 years of operation. Water withdrawal and discharge targets are identified through 2030.

**W7.2**

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	Yes	We have engaged in quantitative and qualitative climate-related scenario analysis, including a 2-degree Celsius or lower scenario. We use scenarios and stochastic analysis to perform a robust assessment. More information on this scenario analysis is available on our website for stakeholder participation: <a href="https://www.nipsco.com/our-company/about-us/regulatory-information/irp">https://www.nipsco.com/our-company/about-us/regulatory-information/irp</a> NiSource is also using scenario planning to qualitatively think through the key uncertainties that have the most impact to our corporate strategy. Climate-related considerations are a key uncertainty identified. We iterate on future scenarios related to climate issues, and we also analyze how other key uncertainties like technology or policy could catalyze or inhibit outcomes.

**W7.3a**

**(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?**

Yes

**W7.3b**

**(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?**

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	Other, please specify (Quantitative and qualitative climate-related scenario analysis, including a 2-degree Celsius or lower scenario)	Most of our water usage is from our electric generating stations. Several scenarios on the timing of the retirement of these units are modeled in our NIPSCO Integrated Resource Plan (IRP). More information on this scenario analysis is available on our website for stakeholder participation: <a href="https://www.nipsco.com/our-company/about-us/regulatory-information/irp">https://www.nipsco.com/our-company/about-us/regulatory-information/irp</a> . While we have not yet modeled physical climate risk in scenario analysis, we understand that reducing our water usage reduces risk from drought and other climate-related events.	We have developed and are actively implementing plans that result in a 90% reduction in water withdrawal and discharge by 2025, and a 99% reduction of in water withdrawal and discharge by 2030 (from a 2005 baseline) through the retirement of all of our coal-fired electric generation. As of the end of 2020, we already reduced our withdrawal and discharge by more than 90% from 2005 levels.

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Our targets are based on our Integrated Resource Plan and long-term strategy. Our goal is also 100% environmental compliance, which includes water-related compliance requirements at all sites and facilities.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Cost savings

**Description of target**

90% Reduction in Water Withdrawal from Electric Generation by 2025 (From 2005 Levels)

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2005

**Start year**

2017

**Target year**

2025

**% of target achieved**

100

**Please explain**

Baseline: 119,457 million gallons, 2025 Target: 11,946 million gallons; 2020 Actual: 10,230 million gallons. Achieved through the retirement of coal generation.

**Target reference number**

Target 2

**Category of target**

Water discharge

**Level**

Company-wide

**Primary motivation**

Cost savings

**Description of target**

90% Reduction in Water Discharge from Electric Generation by 2025 (From 2005 Levels)

**Quantitative metric**

Other, please specify (% reduction in total water discharge volume)

**Baseline year**

2005

**Start year**

2017

**Target year**

2025

**% of target achieved**

100

**Please explain**

Baseline: 113,573 million gallons, 2025 Target: 11,357 million gallons; 2020 Actual: 5,676 million gallons. Achieved through the retirement of coal generation.

---

**Target reference number**

Target 3

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Cost savings

**Description of target**

99% Reduction in Water Withdrawal from Electric Generation by 2030 (From 2005 Levels)

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2005

**Start year**

2017

**Target year**

2030

**% of target achieved**

92

**Please explain**

Baseline: 119,457 million gallons; 2030 Target: 1,195 million gallons; 2020 Actual: 10,230 million gallons

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**Target reference number**

Target 4

**Category of target**

Water discharge

**Level**

Company-wide

**Primary motivation**

Cost savings

**Description of target**

99% Reduction in Water Discharge from Electric Generation by 2030 (From 2005 Levels)

**Quantitative metric**

Other, please specify (% reduction in total water discharge volume)

**Baseline year**

2005

**Start year**

2017

**Target year**

2030

**% of target achieved**

**Please explain**

Baseline: 113,573 million gallons; 2030 target: 1,136 million gallons; 2020 Actual: 5,676 million gallons

**W8.1b**

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify (100% Compliance With All Water-Related Requirements)

**Level**

Company-wide

**Motivation**

Shared value

**Description of goal**

100% Compliance With All Water-Related Requirements

**Baseline year**

**Start year**

**End year**

**Progress**

Significant progress has been made to achieve this goal.

**W9. Verification**

**W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we do not currently verify any other water information reported in our CDP disclosure

**W10. Sign off**

**W-FI**

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**W10.1**

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Director, Environmental Policy & Sustainability	Environment/Sustainability manager

**W10.2**

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

**Submit your response**

**In which language are you submitting your response?**

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms