NISOURCE INC/DE
Form 10-Q
May 03, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
þ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2016
or
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 001-16189
NiSource Inc.
(Exact name of registrant as specified in its charter)

Delaware	35-2108964
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
801 East 86th Avenue Merrillville, Indiana	46410
(Address of principal executive offices)	(Zip Code)

(877) 647-5990
(Registrant's telephone number, including area code)
Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes þ No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.)
Yesþ No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer þ Accelerated filer ¨
Non-accelerated filer ¨ Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ¨ No þ

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, $0.01 Par Value: 321,544,481 shares outstanding at April 25, 2016.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2016
Table of Contents

DEFINED TERMS

The following is a list of frequently used abbreviations or acronyms that are found in this report:

NiSource Subsidiaries, Affiliates and Former Subsidiaries	
CGORC	Columbia Gas of Ohio Receivables Corporation
Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Massachusetts	Bay State Gas Company
Columbia of Ohio	Columbia Gas of Ohio, Inc.
Columbia of Pennsylvania	Columbia Gas of Pennsylvania, Inc.
Columbia of Virginia	Columbia Gas of Virginia, Inc.
CPG	Columbia Pipeline Group, Inc.
CPPL	Columbia Pipeline Partners LP
CPRC	Columbia Gas of Pennsylvania Receivables Corporation
NARC	NIPSCO Accounts Receivable Corporation
NIPSCO	Northern Indiana Public Service Company
NiSource	NiSource Inc.
NiSource Finance	NiSource Finance Corp.

Abbreviations and Other	
AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASU	Accounting Standards Update
BNS	Bank of Nova Scotia
BTMU	The Bank of Tokyo-Mitsubishi UFJ, LTD.
CAA	Clean Air Act
CCRs	Coal Combustion Residuals
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
CO_2	Carbon Dioxide
CPP	Clean Power Plan
DPU	Department of Public Utilities
DSM	Demand Side Management
ECR	Environmental Cost Recovery
ECRM	Environmental Cost Recovery Mechanism
ECT	Environmental Cost Tracker
EERM	Environmental Expense Recovery Mechanism
EGUs	Electric Utility Generating Units
ELG	Effluent limitations guidelines
EPA	United States Environmental Protection Agency
EPS	Earnings per share
FAC	Fuel adjustment clause
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	Generally Accepted Accounting Principles
GCR	Gas cost recovery
GHG	Greenhouse gases

DEFINED TERMS (continued)

GSEP	Gas System Enhancement Program
gwh	Gigawatt hours
IDEM	Indiana Department of Environmental Management
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
kV	Kilovolt
LDAF	Local Distribution Adjustment Factor
LDCs	Local distribution companies
LIFO	Last-in, first-out
MATS	Mercury and Air Toxics Standards
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
Mizuho	Mizuho Corporate Bank Ltd.
MMDth	Million dekatherms
MPSC	Maryland Public Service Commission
NAAQS	National Ambient Air Quality Standards
NOL	Net operating loss
NO_x	Nitric oxide and nitrogen dioxide
NSR	New Source Review
NYMEX	New York Mercantile Exchange
OPEB	Other Postretirement Benefits
OUCC	Indiana Office of Utility Consumer Counselor
PNC	PNC Bank, N.A.
Pure Air	Pure Air on the Lake LP
Separation	The separation of NiSource's natural gas pipeline, midstream and storage business from NiSource's natural gas and electric utility business accomplished through the pro rata distribution by NiSource to holders of its outstanding common stock of all the outstanding shares of common stock of CPG. The Separation was completed on July 1, 2015.
ppb	Parts per billion
PUC	Public Utility Commission
PUCO	Public Utilities Commission of Ohio
RDAF	Revenue Decoupling Adjustment Factor
SEC	Securities and Exchange Commission
TDSIC	Transmission, Distribution and Storage System Improvement Charge
TSA	Transition Services Agreement
TUAs	Transmission Upgrade Agreements
VIE	Variable Interest Entities
VSCC	Virginia State Corporation Commission

Table of Contents

PART I

ITEM 1. FINANCIAL STATEMENTS
NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)

(in millions, except per share amounts)	Three Months Ended March 31, 2016	2015
Net Revenues		
Gas Distribution	$737.8	$1,080.7
Gas Transportation	301.7	369.2
Electric	392.2	394.7
Other	4.9	7.6
Total Gross Revenues	1,436.6	1,852.2
Cost of Sales (excluding depreciation and amortization)	496.5	848.2
Total Net Revenues	940.1	1,004.0
Operating Expenses		
Operation and maintenance	354.7	409.1
Depreciation and amortization	132.8	125.0
Loss (gain) on sale of assets and impairments, net	(0.1)	0.3
Other taxes	71.3	83.3
Total Operating Expenses	558.7	617.7
Operating Income	381.4	386.3
Other Income (Deductions)		
Interest expense, net	(90.5)	(92.8)
Other, net	0.7	3.5
Total Other Deductions	(89.8)	(89.3)
Income from Continuing Operations before Income Taxes	291.6	297.0
Income Taxes	111.9	104.5
Income from Continuing Operations	179.7	192.5
Income from Discontinued Operations - net of taxes	—	82.8
Net Income	179.7	275.3
Less: Net income attributable to noncontrolling interest	—	6.9
Net Income attributable to NiSource	$179.7	$268.4
Amounts attributable to NiSource:		
Income from continuing operations	$179.7	$192.5
Income from discontinued operations	—	75.9
Net Income attributable to NiSource	$179.7	$268.4
Basic Earnings Per Share		
Continuing operations	$0.56	$0.61
Discontinued operations	—	0.24
Basic Earnings Per Share	$0.56	$0.85
Diluted Earnings Per Share		
Continuing operations	$0.56	$0.61
Discontinued operations	—	0.24
Diluted Earnings Per Share	$0.56	$0.85
Dividends Declared Per Common Share	$0.31	$0.52
Basic Average Common Shares Outstanding	320.3	316.6

Diluted Average Common Shares	322.0	317.4

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Table of Contents

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (unaudited)

	Three Months Ended March 31,	
(in millions, net of taxes)	2016	2015
Net Income	$179.7	$275.3
Other comprehensive income (loss):		
Net unrealized gain on available-for-sale securities[1]	1.7	0.9
Net unrealized gain (loss) on cash flow hedges[2]	(70.7)	0.9
Unrecognized pension and OPEB benefit[3]	0.3	0.2
Total other comprehensive income (loss)	(68.7)	2.0
Comprehensive Income	$111.0	$277.3
Less: Comprehensive income attributable to noncontrolling interest	—	6.9
Comprehensive Income attributable to NiSource	$111.0	$270.4

[1] Net unrealized gains on available-for-sale securities, net of $0.9 million and $0.5 million tax expense in the first quarter of 2016 and 2015, respectively.
[2] Net unrealized gain (loss) on derivatives qualifying as cash flow hedges, net of $43.6 million tax benefit and $0.4 million tax expense in the first quarter of 2016 and 2015, respectively.
[3] Unrecognized pension and OPEB benefit net of $0.1 million tax expense in the first quarter of 2016 and 2015, respectively.
The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Table of Contents

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

(in millions)	March 31, 2016	December 31, 2015
ASSETS		
Property, Plant and Equipment		
Utility plant	$19,206.9	$ 18,946.9
Accumulated depreciation and amortization	(6,957.3)	(6,853.4)
Net utility plant	12,249.6	12,093.5
Other property, at cost, less accumulated depreciation	17.6	18.0
Net Property, Plant and Equipment	12,267.2	12,111.5
Investments and Other Assets		
Unconsolidated affiliates	6.7	6.9
Other investments	194.8	187.7
Total Investments and Other Assets	201.5	194.6
Current Assets		
Cash and cash equivalents	23.7	15.5
Restricted cash	19.4	29.7
Accounts receivable (less reserve of $32.5 and $20.3, respectively)	647.9	660.0
Gas inventory	112.8	343.5
Materials and supplies, at average cost	94.8	86.8
Electric production fuel, at average cost	110.8	106.3
Exchange gas receivable	26.4	21.0
Regulatory assets	226.1	206.9
Prepayments and other	133.5	107.5
Total Current Assets	1,395.4	1,577.2
Other Assets		
Regulatory assets	1,600.7	1,599.8
Goodwill	1,690.7	1,690.7
Intangible assets	250.9	253.7
Deferred charges and other	65.0	65.0
Total Other Assets	3,607.3	3,609.2
Total Assets	$17,471.4	$ 17,492.5

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Table of Contents

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

(in millions, except share amounts)	March 31, 2016	December 31, 2015
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders’ Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 321,360,285 and 319,110,083 shares outstanding, respectively	$3.2	$ 3.2
Additional paid-in capital	5,102.5	5,078.0
Retained deficit	(1,042.9)	(1,123.3)
Accumulated other comprehensive loss	(103.8)	(35.1)
Treasury stock	(86.7)	(79.3)
Total Common Stockholders’ Equity	3,872.3	3,843.5
Long-term debt, excluding amounts due within one year	5,905.5	5,948.5
Total Capitalization	9,777.8	9,792.0
Current Liabilities		
Current portion of long-term debt	263.8	433.7
Short-term borrowings	845.3	567.4
Accounts payable	392.7	433.4
Dividends payable	49.7	—
Customer deposits and credits	212.8	316.3
Taxes accrued	203.1	183.5
Interest accrued	72.2	129.0
Exchange gas payable	25.8	62.3
Deferred revenue	5.5	6.6
Regulatory liabilities	176.8	231.4
Accrued liability for postretirement and postemployment benefits	4.9	4.9
Legal and environmental	37.4	37.6
Accrued compensation and employee benefits	102.8	136.4
Other accruals	103.1	115.0
Total Current Liabilities	2,495.9	2,657.5
Other Liabilities and Deferred Credits		
Risk management liabilities	135.4	22.6
Deferred income taxes	2,426.9	2,365.3
Deferred investment tax credits	14.4	14.8
Deferred credits	91.2	90.7
Accrued liability for postretirement and postemployment benefits	754.1	759.7
Regulatory liabilities	1,334.2	1,350.4
Asset retirement obligations	253.1	254.0
Other noncurrent liabilities	188.4	185.5
Total Other Liabilities and Deferred Credits	5,197.7	5,043.0
Commitments and Contingencies (Refer to Note 18, "Other Commitments and Contingencies")	—	—
Total Capitalization and Liabilities	$17,471.4	$ 17,492.5

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

8

Table of Contents

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Three Months Ended March 31, (in millions)	2016	2015
Operating Activities		
Net Income	$179.7	$275.3
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Depreciation and amortization	132.8	125.0
Deferred income taxes and investment tax credits	102.0	89.9
Stock compensation expense and 401(k) profit sharing contribution	10.9	17.3
Income from discontinued operations - net of taxes	—	(82.8)
Amortization of discount/premium on debt	1.9	2.5
AFUDC equity	(2.4)	(2.6)
Other adjustments	(0.4)	0.6
Changes in Assets and Liabilities:		
Accounts receivable	11.2	(106.0)
Income tax receivable	0.9	(0.3)
Inventories	218.3	296.5
Accounts payable	(35.2)	(66.1)
Customer deposits and credits	(103.6)	(122.2)
Taxes accrued	25.6	29.2
Interest accrued	(56.8)	(59.3)
Exchange gas receivable/payable	(42.0)	(84.2)
Other accruals	(29.6)	(49.6)
Prepayments and other current assets	(26.7)	(22.3)
Regulatory assets/liabilities	(81.3)	208.6
Postretirement and postemployment benefits	(5.3)	(13.9)
Deferred credits	0.5	4.4
Deferred charges and other noncurrent assets	0.2	5.4
Other noncurrent liabilities	2.5	2.8
Net Operating Activities from Continuing Operations	303.2	448.2
Net Operating Activities from (used for) Discontinued Operations	(0.3)	156.2
Net Cash Flows from Operating Activities	302.9	604.4
Investing Activities		
Capital expenditures	(301.0)	(243.5)
Cash contributions from CPG	—	500.0
Proceeds from disposition of assets	1.0	1.5
Restricted cash withdrawals	10.3	3.3
Other investing activities	(25.6)	4.8
Net Investing Activities from (used for) Continuing Operations	(315.3)	266.1
Net Investing Activities used for Discontinued Operations	—	(154.9)
Net Cash Flows from (used for) Investing Activities	(315.3)	111.2
Financing Activities		
Repayments of long-term debt and capital lease obligations	(204.3)	(8.0)
Premiums and other debt related costs	(0.3)	—
Change in short-term borrowings, net	277.9	(1,262.9)
Issuance of common stock	4.3	5.9

Acquisition of treasury stock	(7.4)	(20.0)
Dividends paid - common stock	(49.6)	(82.2)
Net Financing Activities from (used for) Continuing Operations	20.6	(1,367.2)
Net Financing Activities from Discontinued Operations	—	668.4
Net Cash Flows from (used for) Financing Activities	20.6	(698.8)
Change in cash and cash equivalents from continuing operations	8.5	(652.9)
Change in cash and cash equivalents from (used for) discontinued operations	(0.3)	669.7
Change in cash included in discontinued operations	—	(6.8)
Cash and cash equivalents at beginning of period	15.5	24.9
Cash and Cash Equivalents at End of Period	$23.7	$34.9

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Table of Contents

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statement of Consolidated Equity (unaudited)

(in millions)	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of January 1, 2016	$ 3.2	$ (79.3)	$ 5,078.0	$ (1,123.3)	$ (35.1)	$ 3,843.5
Comprehensive Income:						
Net Income	—	—	—	179.7	—	179.7
Other comprehensive loss, net of tax	—	—	—	—	(68.7)	(68.7)
Common stock dividends ($0.31 per share)	—	—	—	(99.3)	—	(99.3)
Treasury stock acquired	—	(7.4)	—	—	—	(7.4)
Issued:						
Employee stock purchase plan	—	—	1.0	—	—	1.0
Long-term incentive plan	—	—	10.3	—	—	10.3
401(k) and profit sharing issuance	—	—	11.9	—	—	11.9
Dividend reinvestment plan	—	—	1.3	—	—	1.3
Balance as of March 31, 2016	$ 3.2	$ (86.7)	$ 5,102.5	$ (1,042.9)	$ (103.8)	$ 3,872.3

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

ITEM 1. FINANCIAL STATEMENTS (continued)
NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Accounting Presentation

The accompanying Condensed Consolidated Financial Statements (unaudited) for NiSource Inc. ("NiSource" or the "Company") reflect all normal recurring adjustments that are necessary, in the opinion of management, to present fairly the results of operations in accordance with GAAP in the United States of America. The accompanying financial statements contain the accounts of the Company and its majority-owned or controlled subsidiaries. The results of operations of the former Columbia Pipeline Group Operations segment have been classified as discontinued operations for all periods presented. See Note 5, "Discontinued Operations," for further information.

Unless otherwise indicated, the information in the Notes to the Condensed Consolidated Financial Statements (unaudited) relates to NiSource's continuing operations.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2015. Income for interim periods may not be indicative of results for the calendar year due to weather variations and other factors.

The Condensed Consolidated Financial Statements (unaudited) have been prepared pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although NiSource believes that the disclosures made in this quarterly report on Form 10-Q are adequate to make the information herein not misleading.

2. Recent Accounting Pronouncements

In March 2016, the FASB issued ASU 2016-09, Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. Among other provisions, the standard requires that all income tax effects of awards are recognized in the income statement when the awards vest or are settled and also allows an employer to make a policy election to account for forfeitures as they occur. NiSource is required to adopt ASU 2016-09 for periods beginning after December 15, 2016, including interim periods, with early adoption permitted if all of the amendments are adopted in the same period. Each amendment has varying transition requirements. NiSource is currently evaluating the impact the adoption of ASU 2016-09 will have on the Condensed Consolidated Financial Statements (unaudited) or Notes to Condensed Consolidated Financial Statements (unaudited).

In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations. ASU 2016-08 clarifies the principal versus agent guidance in ASU 2014-09, the new revenue recognition standard. The amendment clarifies how an entity should identify the unit of accounting for the principal versus agent evaluation and how it should apply the control principle to certain types of arrangements. The amendment also re-frames the indicators to focus on evidence that an entity is acting as a principal rather than an agent. ASU 2016-08 has the same effective date and transition requirements as ASU 2015-14. NiSource is currently evaluating the impact the adoption of ASU 2016-08 will have on the Condensed Consolidated Financial Statements (unaudited) or Notes to Condensed Consolidated Financial Statements (unaudited).

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 introduces a lessee model that brings most leases on the balance sheet. The standard requires that lessees recognize the following for all leases (with the exception of short-term leases, as that term is defined in the standard) at the lease commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis;

and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. NiSource is required to adopt ASU 2016-02 for periods beginning after December 15, 2018, including interim periods, and the guidance is to be applied with a modified retrospective approach, with early adoption permitted. NiSource is currently evaluating the impact the adoption of ASU 2016-02 will have on the Condensed Consolidated Financial Statements (unaudited) or Notes to Condensed Consolidated Financial Statements (unaudited).

Table of Contents
ITEM 1. FINANCIAL STATEMENTS (continued)
NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

3. Earnings Per Share

Basic EPS is computed by dividing net income attributable to NiSource by the weighted-average number of shares of common stock outstanding for the period. The weighted-average shares outstanding for diluted EPS includes the incremental effects of the various long-term incentive compensation plans. The numerator in calculating both basic and diluted EPS for each period is reported net income attributable to NiSource. The computation of diluted average common shares is as follows:

	Three Months Ended March 31,	
(in thousands)	2016	2015
Denominator		
Basic average common shares outstanding	320,281	316,587
Dilutive potential common shares:		
Shares contingently issuable under employee stock plans	36	335
Shares restricted under stock plans	1,703	468
Diluted Average Common Shares	322,020	317,390

4. Gas in Storage
Both the LIFO inventory methodology and the weighted average cost methodology are used to value natural gas in storage. Gas Distribution Operations price natural gas storage injections at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference between current projected replacement cost and the LIFO cost for quantities of gas temporarily withdrawn from storage is recorded as a temporary LIFO liquidation credit or debit within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, NiSource expects interim variances in LIFO layers to be replenished by year-end. NiSource had a temporary LIFO liquidation debit of $29.3 million and zero as of March 31, 2016 and December 31, 2015, respectively, for certain gas distribution companies recorded within “Prepayments and other,” on the Condensed Consolidated Balance Sheets (unaudited).

5. Discontinued Operations

On July 1, 2015, NiSource completed the Separation through a special pro rata stock dividend, distributing one share of CPG common stock for every one share of NiSource common stock held by any NiSource stockholder on June 19, 2015, the record date. The Separation resulted in two stand-alone energy infrastructure companies: NiSource, a fully regulated natural gas and electric utilities company, and CPG, a natural gas pipeline, midstream and storage company. As a stand-alone company, on the date of the Separation, CPG's operations consisted of NiSource's Columbia Pipeline Group Operations segment prior to the Separation. Following the Separation, NiSource retained no ownership interest in CPG. On the date of the Separation, CPG consisted of approximately $9.2 billion of assets, $5.6 billion of liabilities and $3.6 billion of equity.

The results of operations and cash flows for the former Columbia Pipeline Group Operations segment have been reported as discontinued operations for all periods presented.

There were no material results from discontinued operations for the three months ended March 31, 2016. Results from discontinued operations for the three months ended March 31, 2015 are included in the table below. These results are primarily from NiSource's former Columbia Pipeline Group Operations segment.

(in millions)	Three Months Ended March 31, 2015 Columbia Pipeline Group Operations	Corporate and Other	Total
Net Revenues			
Transportation and storage revenues	$301.1	$ —	$301.1
Other revenues	38.7	—	38.7
Total Sales Revenues	339.8	—	339.8
Less: Cost of sales (excluding depreciation and amortization)	0.1	—	0.1
Net Revenues	339.7	—	339.7
Operating Expenses			
Operation and maintenance	165.0 (1)	—	165.0
Depreciation and amortization	32.5	—	32.5
Gain on sale of assets	(5.3)	—	(5.3)
Other taxes	19.2	—	19.2
Total Operating Expenses	211.4	—	211.4
Equity Earnings in Unconsolidated Affiliates	15.4	—	15.4
Operating Income from Discontinued Operations	143.7	—	143.7
Other Income (Deductions)			
Interest expense, net	(18.2)	—	(18.2)
Other, net	3.6	0.1	3.7
Total Other Income (Deductions)	(14.6)	0.1	(14.5)
Income from Discontinued Operations before Income Taxes	129.1	0.1	129.2
Income Taxes	46.4	—	46.4
Income from Discontinued Operations - net of taxes	$82.7	$ 0.1	$82.8

(1) Includes approximately $20.2 million of transaction costs related to the Separation.

CPG’s financing requirements prior to the private placement of senior notes on May 22, 2015 were satisfied through borrowings from NiSource Finance. Interest expense from discontinued operations primarily represents net interest charged to CPG from NiSource Finance, less AFUDC.

Continuing Involvement

Natural gas transportation and storage services provided to NiSource by CPG were $43.6 million and $42.2 million for the three months ended March 31, 2016 and 2015, respectively. Prior to July 1, 2015, these costs were eliminated in consolidation. Beginning July 1, 2015, these costs and associated cash flows represent third-party transactions with CPG and are not eliminated in consolidation, as such services have continued subsequent to the Separation and are expected to continue for the foreseeable future.

As a result of the Separation, NiSource and CPG entered into Transition Services Agreements (TSAs). NiSource expects the TSAs to terminate within 24 months from the date of the Separation. The TSAs set forth the terms and conditions for NiSource and CPG to provide certain transition services to one another. Under the TSAs, NiSource will provide CPG certain information technology, financial and accounting, human resource and other specified services. For the three months ended March 31, 2016, the amounts NiSource billed CPG for these services were immaterial.

There were there were no material assets and liabilities of discontinued operations on the Condensed Consolidated Balance Sheets (unaudited) as of March 31, 2016 and December 31, 2015.

6. Asset Retirement Obligations

Changes in NiSource’s liability for asset retirement obligations for the three months ended March 31, 2016 and 2015 are presented in the table below:

(in millions)	2016	2015
Balance as of January 1,	$254.0	$136.2
Accretion recorded as a regulatory asset/liability	2.2	1.9
Settlements	(0.4)	(0.7)
Change in estimated cash flows	(2.7)	—
Balance as of March 31,	$253.1	$137.4

7. Regulatory Matters

Gas Distribution Operations Regulatory Matters

Significant Rate Developments. On April 30, 2013, Indiana Governor Pence signed Senate Enrolled Act 560, the TDSIC statute, into law. Among other provisions, this legislation provides for cost recovery outside of a base rate proceeding for new or replacement electric and gas transmission, distribution, and storage projects that a public utility undertakes for the purposes of safety, reliability, system modernization, or economic development. Provisions of the TDSIC statute require that, among other things, requests for recovery include a seven-year plan of eligible investments. Once the plan is approved by the IURC, 80 percent of eligible costs can be recovered using a periodic rate adjustment mechanism. The cost recovery mechanism is referred to as a TDSIC mechanism. Recoverable costs include a return on, and of, the investment, including AFUDC, post-in-service carrying charges, operation and maintenance expenses, depreciation and property taxes. The remaining 20 percent of recoverable costs are to be deferred for future recovery in the public utility’s next general rate case. The periodic rate adjustment mechanism is capped at an annual increase of no more than two percent of total retail revenues. On August 31, 2015, NIPSCO filed TDSIC-3 which included an updated seven-year plan of approximately $800 million with the IURC. On March 30, 2016, the IURC issued an order on TDSIC-3 approving NIPSCO’s updated seven year plan in all material respects.

On March 18, 2016, Columbia of Pennsylvania filed a base rate case with the Pennsylvania PUC, seeking a revenue increase of $55.3 million annually. The case was driven by Columbia of Pennsylvania’s ongoing capital investment program which exceeded $197.0 million in 2015, and is projected to exceed $220.0 million in 2016 and $265.0 million in 2017. This case was also driven by operation and maintenance expenditures related to employee training and compliance with pipeline safety regulations. Columbia of Pennsylvania's request for rate relief included the recovery of costs that will be incurred after the implementation of new rates, as authorized by the Pennsylvania General Assembly with the passage of Act 11 of 2012. A decision is expected in the fourth quarter of 2016 with new rates to be implemented in December 2016.

On April 15, 2016, Columbia of Maryland filed a base rate case with the MPSC, seeking an annual revenue increase of $6.5 million. The case was driven by Columbia of Maryland’s ongoing capital investment program and by operations and maintenance expenditures related to compliance with pipeline safety regulations. A decision is expected in the fourth quarter of 2016 with new rates to be implemented in October 2016.

On April 29, 2016, Columbia of Virginia filed a request with the VSCC, seeking an annual revenue increase of $37.0 million. The case is driven by Columbia of Virginia's ongoing capital program to modernize its infrastructure and to expand and upgrade its facilities to meet customer growth, as well as expenditures related to employee training and compliance with pipeline safety regulations. A VSCC decision is expected in early 2017. Rates are scheduled to

become effective, subject to refund, on October 1, 2016.
On April 27, 2016 Columbia of Kentucky filed a notice of intent with the Kentucky PSC stating its intent to file a rate case using a fully-forecasted test period. The rate case will be filed no sooner than 30 days from the date of the notice.

Cost Recovery and Trackers. Comparability of Gas Distribution Operations line item operating results is impacted by regulatory trackers that allow for the recovery in rates of certain costs such as those described below. Increases in the expenses that are the subject of trackers, result in a corresponding increase in net revenues and therefore have essentially no impact on total operating income results.

A significant portion of the distribution companies' revenue is related to the recovery of gas costs, the review and recovery of which occurs via standard regulatory proceedings. All states require periodic review of actual gas procurement activity to determine prudence and to permit the recovery of prudently incurred costs related to the supply of gas for customers. NiSource distribution companies have historically been found prudent in the procurement of gas supplies to serve customers.

Certain operating costs of the NiSource distribution companies are significant, recurring in nature, and generally outside the control of the distribution companies. Some states allow the recovery of such costs via cost tracking mechanisms. Such tracking mechanisms allow for abbreviated regulatory proceedings in order for the distribution companies to implement charges and recover appropriate costs. Tracking mechanisms allow for more timely recovery of such costs as compared with more traditional cost recovery mechanisms. Examples of such mechanisms include GCR adjustment mechanisms, tax riders, and bad debt recovery mechanisms.

Certain of the NiSource distribution companies have completed rate proceedings involving infrastructure replacement or are embarking upon regulatory initiatives to replace significant portions of their operating systems that are nearing the end of their useful lives. Each LDC's approach to cost recovery may be unique, given the different laws, regulations and precedent that exist in each jurisdiction.

As further discussed above in this Note 7 under the heading "Significant Rate Developments," on March 30, 2016, the IURC issued an order on TDSIC-3. The order allows NIPSCO to begin earning a return on $74.1 million of net capital expenditures for the twelve months ended June 30, 2015. NIPSCO filed its latest semi-annual tracker update on February 29, 2016, and the request remains pending with the IURC.

On November 28, 2012, the PUCO approved Columbia of Ohio’s application to extend its IRP for an additional five years, allowing Columbia of Ohio to continue to invest and recover on its accelerated main replacements. Columbia of Ohio filed its application to adjust rates associated with its IRP and DSM Riders on February 26, 2016, which requested authority to increase revenues by $25.9 million. On March 24, 2016, PUCO staff filed comments recommending that the PUCO approve Columbia of Ohio’s application. On April 20, 2016, the PUCO issued an order approving Columbia of Ohio’s application with rates going into effect April 30, 2016.

On September 12, 2014, Columbia of Ohio filed an application that seeks authority to establish a regulatory asset and defer the expenditures to be incurred in implementing Columbia of Ohio’s Pipeline Safety Program. Columbia of Ohio requested authority to defer Pipeline Safety Program costs of up to $15.0 million annually. By order dated December 17, 2014, the PUCO approved Columbia of Ohio’s application, approving a deferral of up to $15.0 million annually. On March 11, 2016, Columbia of Ohio filed an application to increase the annual deferral authority from $15.0 million to $25.0 million. An order is expected before the end of 2016.

On July 7, 2014, the Governor of Massachusetts signed into law Chapter 149 of the Acts of 2014, An Act Relative to Natural Gas Leaks (“the Act”). The Act authorizes natural gas distribution companies to file gas infrastructure replacement plans with the Massachusetts DPU to address the replacement of aging natural gas pipeline infrastructure. In addition, the Act provides that the Massachusetts DPU may, after review of the plans, allow the proposed estimated costs of the plan into rates as of May 1 of the subsequent year. Pursuant to the Act, Columbia of Massachusetts filed its first GSEP plan on October 31, 2014, for the 2015 construction year (“2015 GSEP”) proposing to recover $2.6 million. After review, the Massachusetts DPU approved the Columbia of Massachusetts’s 2015 GSEP for effect May 1, 2015 and, in accordance with the Act, Columbia of Massachusetts filed the reconciliation of the 2015 GSEP on April 29, 2016. On October 30, 2015, Columbia of Massachusetts filed its GSEP for the 2016 construction year (“2016 GSEP”). Columbia of Massachusetts proposed to recover an increment of $6.4 million for the costs associated with the replacement of eligible leak-prone infrastructure during the 2016 construction year for a cumulative proposed revenue requirement recovery of $9.0 million. Columbia of Massachusetts subsequently revised the cumulative proposed revenue requirement recovery to $8.2 million. The Massachusetts DPU approved the 2016 GSEP filing on April 29,

2016. New rates went into effect May 1, 2016.

On October 30, 2009, the Massachusetts DPU approved Columbia of Massachusetts's revenue decoupling mechanism that was filed in its base rate case. This allows Columbia of Massachusetts to apply annual adjustments to its peak and off-peak rates. On March 16, 2016, Columbia of Massachusetts filed its 2016 off-peak period RDAF in the amount of $3.4 million. On April 28, 2016, the Massachusetts DPU approved the rate for effect May 1, 2016.

Columbia of Massachusetts's LDAF allows for the recovery of costs related to pension and other postretirement expense, low income programs, environmental remediation programs, Attorney General expert witness costs and energy efficiency programs. This allows Columbia of Massachusetts to file semi-annually to recover the cost in peak and off-peak rates. On January 29, 2016, Columbia of Massachusetts filed its 2016 off-peak period LDAF reflecting an annual recovery amount of approximately $42.0 million. On April 29, 2016, the Massachusetts DPU approved the rate for effect May 1, 2016.

Electric Operations Regulatory Matters

Significant Rate Developments. On December 31, 2015, NIPSCO filed a new electric TDSIC seven-year plan of eligible investments for a total of approximately $1.3 billion covering spend in years 2016 through 2022. On March 24, 2016, a stipulation and settlement agreement was filed with the IURC which, among other things, seeks approval of a seven-year plan that includes a total $1.25 billion of investments eligible for ratemaking treatment. A final order is anticipated in the third quarter of 2016. NIPSCO expects to make a TDSIC rate adjustment mechanism filing in 2016 to seek recovery and ratemaking relief of such investments.

On October 1, 2015, NIPSCO filed an electric base rate case with the IURC, seeking a revenue increase of approximately $148.0 million, including certain riders, or approximately $126.6 million, before certain riders. As part of this filing, NIPSCO is proposing to update base rates for previously incurred infrastructure improvements, revised depreciation rates and the inclusion of previously approved environmental and federally mandated compliance costs. On February 19, 2016, a stipulation and settlement agreement was filed with the IURC seeking a revenue increase of $72.5 million, before certain riders. A final order is anticipated in the third quarter of 2016.

Cost Recovery and Trackers. A significant portion of NIPSCO's revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through an FAC, a quarterly, regulatory proceeding in Indiana.

Certain operating costs of the Electric Operations are significant, recurring in nature, and generally outside the control of NIPSCO. The IURC allows for recovery of such costs via cost tracking mechanisms. Such tracking mechanisms allow for abbreviated regulatory proceedings in order for NIPSCO to implement charges and recover appropriate costs. Tracking mechanisms allow for more timely recovery of such costs as compared with more traditional cost recovery mechanisms. Examples of such mechanisms include electric energy efficiency programs, MISO non-fuel costs and revenues, resource capacity charges, and environmental related costs.

NIPSCO has approval from the IURC to recover certain environmental related costs through an ECT. Under the ECT, NIPSCO is permitted to recover (1) AFUDC and a return on the capital investment expended by NIPSCO to implement environmental compliance plan projects through an ECRM and (2) related operation and maintenance and depreciation expenses once the environmental facilities become operational through an EERM.

On April 20, 2016, the IURC issued an order on ECR-27 approving NIPSCO’s request to begin earning a return on $800.7 million of net capital expenditures for the period ended December 31, 2015.

As a result of the electric TDSIC IURC Order on Remand that became a final order as of January 16, 2016, NIPSCO was authorized to defer, as a regulatory asset, 100% of all TDSIC costs incurred since March 1, 2014 in connection with its 2014 and 2015 eligible TDSIC investments, until such deferral is recovered as part of a general rate case. Deferrals under this order were immaterial as of March 31, 2016. In the third quarter of 2016, upon receiving an order in NIPSCO's current electric base rate case which includes TDSIC costs through June 30, 2015, NIPSCO expects to defer additional TDSIC costs associated with the remaining 2014 and 2015 eligible TDSIC investments for a future electric base rate case.

8. Risk Management Activities

NiSource recognizes that the prudent and selective use of derivatives may help to lower its cost of debt capital and manage its interest rate exposure. In 2015, NiSource Finance entered into forward-starting interest rate swap agreements with an aggregate notional value of $1.0 billion to hedge the variability in cash flows attributable to changes in the benchmark interest rate during the periods from the effective dates of the swaps to the anticipated dates of forecasted debt issuances which extend into 2018. These interest rate swaps are designated as cash flow hedges.

Table of Contents
ITEM 1. FINANCIAL STATEMENTS (continued)
NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The effective portions of the gains and losses related to these swaps are recorded to AOCI and are recognized in earnings concurrent with the recognition of interest expense on the associated debt, once issued. If it became probable that a hedged forecasted transaction was no longer going to occur, the accumulated gains or losses on the derivative would be recognized currently in earnings. Earnings could also be impacted if the anticipated dates of forecasted debt issuances change from the dates originally contemplated at inception of the hedging relationships.
Realized gains and losses from NiSource's interest rate cash flow hedges are presented in “Interest expense, net” on the Condensed Consolidated Statements of Income (unaudited). Derivative assets and liabilities on NiSource's interest rate cash flow hedges are presented as “Risk management assets” and “Risk management liabilities,” respectively, on the Condensed Consolidated Balance Sheets (unaudited).
NiSource had $132.5 million and $17.4 million of derivative liabilities related to these cash flow hedges as of March 31, 2016 and December 31, 2015, respectively.
There was no income statement recognition of gains or losses relating to an ineffective portion of these hedges, nor were there amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships for the three months ended March 31, 2016 and 2015.
NiSource does not expect to settle any cash flow hedges in the next twelve months and no cash flow hedge contracts are set to expire in the next twelve months.
NiSource's derivative instruments measured at fair value as of March 31, 2016 and December 31, 2015 do not contain any credit-risk-related contingent features.

9. Fair Value

A. Fair Value Measurements
Recurring Fair Value Measurements. The following tables present financial assets and liabilities measured and recorded at fair value on NiSource's Condensed Consolidated Balance Sheets (unaudited) on a recurring basis and their level within the fair value hierarchy as of March 31, 2016 and December 31, 2015:

Recurring Fair Value Measurements March 31, 2016 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2016
Assets				
Risk management assets	$ 0.4	$ —	$ 0.8	$ 1.2
Available-for-sale securities	—	136.0	—	136.0
Total	$ 0.4	$ 136.0	$ 0.8	$ 137.2
Liabilities				
Risk management liabilities(1)	$ 9.8	$ 132.5	$ —	$ 142.3
Total	$ 9.8	$ 132.5	$ —	$ 142.3

(1) Includes $6.9 million of current risk management liabilities which are included in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).

Recurring Fair Value Measurements December 31, 2015 (in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2015
Assets				
Risk management assets	$ 0.1	$ —	$ —	$ 0.1
Available-for-sale securities	—	128.7	—	128.7
Total	$ 0.1	$ 128.7	$ —	$ 128.8
Liabilities				
Risk management liabilities(1)	$ 14.3	$ 17.4	$ 0.2	$ 31.9
Total	$ 14.3	$ 17.4	$ 0.2	$ 31.9

(1) Includes $9.3 million of current risk management liabilities which are included in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).

Risk management assets and liabilities include interest rate swaps and an immaterial amount of NYMEX futures and NYMEX options which are commodity exchange-traded and non-exchange-based derivative contracts. Exchange-traded derivative contracts are based on unadjusted quoted prices in active markets and are classified within Level 1. These financial assets and liabilities are secured with cash on deposit with the exchange; therefore nonperformance risk has not been incorporated into these valuations. Certain non-exchange-traded derivatives are valued using broker or over-the-counter, on-line exchanges. In such cases, these non-exchange-traded derivatives are classified within Level 2. Non-exchange-based derivative instruments include swaps, forwards, and options. In certain instances, these instruments may utilize models to measure fair value. NiSource uses a similar model to value similar instruments. Valuation models utilize various inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability, and market-corroborated inputs, (i.e., inputs derived principally from or corroborated by observable market data by correlation or other means). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. Certain derivatives trade in less active markets with a lower availability of pricing information and models may be utilized in the valuation. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized in Level 3. Credit risk is considered in the fair value calculation of derivative instruments that are not exchange-traded. Credit exposures are adjusted to reflect collateral agreements which reduce exposures. As of March 31, 2016 and December 31, 2015, there were no material transfers between fair value hierarchies. Additionally, there were no changes in the method or significant assumptions used to estimate the fair value of NiSource's financial instruments.

In December 2015, NiSource Finance entered into forward-starting interest rate swaps to hedge the interest rate risk on coupon payments arising from $1.0 billion of forecasted issuances of long-term debt expected to take place by 2018. These swaps are designated as cash flow hedges. In-the-money contracts are presented as "Risk management assets" while out-of-the-money contracts are presented as "Risk management liabilities" in the Condensed Consolidated Balance Sheets (unaudited). Each period the swap instruments will be measured assuming a hypothetical settlement at that point in time. Upon termination of the swap instruments, NiSource will pay or receive a settlement based on the then current fair value. Credit risk is considered in the fair value calculation of each interest rate swap. As they are based on observable data and valuations of similar instruments, the interest-rate swaps are categorized in Level 2 in the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and NiSource can settle the swaps at any time. For additional information see Note 8, "Risk Management Activities."

Available-for-sale securities are investments pledged as collateral for trust accounts related to NiSource's wholly-owned insurance company. Available-for-sale securities are included within "Other investments" in the

Condensed Consolidated Balance Sheets (unaudited). NiSource values U.S. Treasury, corporate and mortgage-backed securities using a matrix pricing model that incorporates market-based information. These securities trade less frequently and are classified within Level 2. Total unrealized gains and losses from available-for-sale securities are included in other comprehensive income (loss). The amortized cost, gross unrealized gains and losses and fair value of available-for-sale securities at March 31, 2016 and December 31, 2015 were:

March 31, 2016 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities				
U.S. Treasury securities	$ 38.1	$ 0.8	$ —	$38.9
Corporate/Other bonds	96.0	1.3	(0.2)	97.1
Total Available-for-sale securities	$ 134.1	$ 2.1	$ (0.2)	$136.0

December 31, 2015 (in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities				
U.S. Treasury securities	$ 33.7	$ 0.1	$ (0.3)	$33.5
Corporate/Other bonds	95.7	0.3	(0.8)	95.2
Total Available-for-sale securities	$ 129.4	$ 0.4	$ (1.1)	$128.7

For the three months ended March 31, 2016 and 2015, there were no net realized gains or losses on the sale of available-for-sale securities.
The cost of maturities sold is based upon specific identification. At March 31, 2016, approximately $5.5 million of U.S. Treasury securities have maturities of less than a year. At March 31, 2016, approximately $10.4 million of Corporate/Other bonds have maturities of less than a year.
There are no material items in the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis for the three months ended March 31, 2016 and 2015.

Non-recurring Fair Value Measurements. There were no significant non-recurring fair value measurements recorded during the three months ended March 31, 2016.

B. Other Fair Value Disclosures for Financial Instruments. The carrying amount of cash and cash equivalents, restricted cash, notes receivable, customer deposits and short-term borrowings is a reasonable estimate of fair value due to their liquid or short-term nature. NiSource's long-term borrowings are recorded at historical amounts.
The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value.

Long-term Debt. The fair value of outstanding long-term debt is estimated based on the quoted market prices for the same or similar securities. Certain premium costs associated with the early settlement of long-term debt are not taken into consideration in determining fair value. These fair value measurements are classified as Level 2 within the fair value hierarchy. For the three months ended March 31, 2016 there was no change in the method or significant assumptions used to estimate the fair value of long-term debt.

The carrying amount and estimated fair values of these financial instruments were as follows:

(in millions)	Carrying Amount as of March 31, 2016	Estimated Fair Value as of March 31, 2016	Carrying Amount as of Dec. 31, 2015	Estimated Fair Value as of Dec. 31, 2015
Long-term debt (including current portion)	$ 6,169.3	$ 6,938.4	$ 6,382.2	$ 6,975.7

10. Transfers of Financial Assets

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited). The maximum amount of debt that can be recognized related to NiSource’s accounts receivable programs is $515 million.

All accounts receivables sold to the purchasers are valued at face value, which approximates fair value due to their short-term nature. The amount of the undivided percentage ownership interest in the accounts receivables sold is determined in part by required loss reserves under the agreements. Below is information about the accounts receivable securitization agreements entered into by NiSource's subsidiaries.

Columbia of Ohio is under an agreement to sell, without recourse, substantially all of its trade receivables, as they originate, to CGORC, a wholly-owned subsidiary of Columbia of Ohio. CGORC, in turn, is party to an agreement with BTMU and BNS, under the terms of which it sells an undivided percentage ownership interest in its accounts receivable to commercial paper conduits sponsored by BTMU and BNS. This agreement was last renewed on October 16, 2015; the current agreement expires on October 15, 2016, and can be further renewed if mutually agreed to by all parties. The maximum seasonal program limit under the terms of the current agreement is $240 million. As of March 31, 2016, $149.8 million of accounts receivable had been transferred by CGORC. CGORC is a separate corporate entity from NiSource and Columbia of Ohio, with its own separate obligations, and upon a liquidation of CGORC, CGORC's obligations must be satisfied out of CGORC's assets prior to any value becoming available to CGORC's stockholder.

NIPSCO is under an agreement to sell, without recourse, substantially all of its trade receivables, as they originate, to NARC, a wholly-owned subsidiary of NIPSCO. NARC, in turn, is party to an agreement with PNC and Mizuho under the terms of which it sells an undivided percentage ownership interest in its accounts receivable to PNC and a commercial paper conduit sponsored by Mizuho. This agreement was last renewed on August 26, 2015; the current agreement expires on August 24, 2016, and can be further renewed if mutually agreed to by all parties. The maximum seasonal program limit under the terms of the current agreement is $200 million. As of March 31, 2016, $166.6 million of accounts receivable had been transferred by NARC. NARC is a separate corporate entity from NiSource and NIPSCO, with its own separate obligations, and upon a liquidation of NARC, NARC's obligations must be satisfied out of NARC's assets prior to any value becoming available to NARC's stockholder.

Columbia of Pennsylvania is under an agreement to sell, without recourse, substantially all of its trade receivables, as they originate, to CPRC, a wholly-owned subsidiary of Columbia of Pennsylvania. CPRC, in turn, is party to an agreement with BTMU under the terms of which it sells an undivided percentage ownership interest in its accounts receivable to a commercial paper conduit sponsored by BTMU. The agreement with BTMU was last renewed on March 9, 2016; the current agreement expires on March 8, 2017, and can be further renewed if mutually agreed to by both parties. The maximum seasonal program limit under the terms of the agreement is $75 million. As of March 31, 2016, $68.9 million of accounts receivable had been transferred by CPRC. CPRC is a separate corporate entity from NiSource and Columbia of Pennsylvania, with its own separate obligations, and upon a liquidation of CPRC, CPRC's obligations must be satisfied out of CPRC's assets prior to any value becoming available to CPRC's stockholder.

The following table reflects the gross and net receivables transferred as well as short-term borrowings related to the securitization transactions as of March 31, 2016 and December 31, 2015 for Columbia of Ohio, NIPSCO and Columbia of Pennsylvania:

(in millions)	March 31, 2016	December 31, 2015
Gross Receivables	$ 474.5	$ 450.8
Less: Receivables not transferred	89.2	204.8
Net receivables transferred	$ 385.3	$ 246.0
Short-term debt due to asset securitization	$ 385.3	$ 246.0

For the three months ended March 31, 2016 and 2015, $139.3 million and $(9.3) million was recorded as cash flows from (used for) financing activities related to the change in short-term borrowings due to the securitization transactions, respectively. For the three months ended March 31, 2016 and 2015, fees of $1.1 million and $0.8 million associated with the securitization transactions were recorded as interest expense, respectively. Columbia of

Ohio, NIPSCO and Columbia of Pennsylvania remain responsible for collecting on the receivables securitized and the receivables cannot be sold to another party.

11. Goodwill

The following presents NiSource’s goodwill balance allocated by segment as of March 31, 2016:

(in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Goodwill	$ 1,690.7	$ —	$ —	$ 1,690.7

12. Income Taxes

NiSource’s interim effective tax rates reflect the estimated annual effective tax rates for 2016 and 2015, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended March 31, 2016 and 2015 were 38.4% and 35.2%, respectively. These effective tax rates differ from the Federal tax rate of 35% primarily due to the effects of tax credits, state income taxes, utility rate-making, and other permanent book-to-tax differences.
The increase in the three month effective tax rate of 3.2% in 2016 versus 2015 is primarily due to state apportionment benefits in 2015.
There were no material changes recorded in the first quarter of 2016 to NiSource's uncertain tax positions as of December 31, 2015.

13. Pension and Other Postretirement Benefits

NiSource provides defined contribution plans and noncontributory defined benefit retirement plans that cover its employees. Benefits under the defined benefit retirement plans reflect the employees’ compensation, years of service and age at retirement. Additionally, NiSource provides health care and life insurance benefits for certain retired employees. The majority of employees may become eligible for these benefits if they reach retirement age while working for NiSource. The expected cost of such benefits is accrued during the employees’ years of service. Current rates of rate-regulated companies include postretirement benefit costs, including amortization of the regulatory assets that arose prior to inclusion of these costs in rates. For most plans, cash contributions are remitted to grantor trusts.

For the three months ended March 31, 2016, NiSource contributed \$0.8 million to its pension plans and \$4.9 million to its other postretirement benefit plans.

The following tables provide the components of the plans’ net periodic benefits cost for the three months ended March 31, 2016 and 2015:

	Pension Benefits		Other Postretirement Benefits	
Three Months Ended March 31, (in millions)	2016	2015	2016	2015
Components of Net Periodic Benefit Cost				
Service cost	$ 7.7	$ 8.2	$ 1.2	$ 1.6
Interest cost	22.4	21.7	5.5	5.7
Expected return on assets	(33.2)	(39.3)	(4.3)	(4.8)
Amortization of prior service cost (credit)	(0.1)	0.2	(1.2)	(1.2)
Recognized actuarial loss	15.3	13.5	0.8	1.1
Total Net Periodic Benefit Cost	$ 12.1	$ 4.3	$ 2.0	$ 2.4

14. Variable Interests and Variable Interest Entities
In general, a VIE is an entity (1) that has an insufficient amount of at-risk equity to permit the entity to finance its activities without additional financial subordinated support provided by any parties, (2) whose at-risk equity owners, as a group, do not have power, through voting rights or similar rights, to direct activities of the entity that most significantly impact the entity’s economic performance or (3) whose at-risk owners do not absorb the entity’s losses or receive the entity’s residual return. A VIE is required to be consolidated by a company if that company is determined to be the primary beneficiary of the VIE.

NiSource would consolidate those VIEs for which it was the primary beneficiary. NiSource considers quantitative and qualitative elements in determining the primary beneficiary. Qualitative measures include the ability to control an entity and the obligation to absorb losses or the right to receive benefits from such entity.

NiSource’s analysis includes an assessment of guarantees, operating leases, purchase agreements and other contracts, as well as its investments and joint ventures. For items that have been identified as variable interests, or where there is involvement with an identified VIE, an in-depth review of the relationship between the relevant entities and NiSource is made to evaluate qualitative and quantitative factors to determine the primary beneficiary, if any, and whether additional disclosures would be required under the current standard.

NIPSCO has a service agreement with Pure Air, a general partnership between Air Products and Chemicals, Inc. and First Air Partners LP, under which Pure Air provides scrubber services to reduce sulfur dioxide emissions for Units 7 and 8 at the Bailly Generating Station. NiSource has made an exhaustive effort to obtain information needed from Pure Air to determine the status of Pure Air as a VIE. However, NIPSCO has not been able to obtain this information and, as a result, it is unclear whether Pure Air is a VIE and if NIPSCO is the primary beneficiary. NIPSCO will continue to request the information required to determine whether Pure Air is a VIE. NIPSCO has no exposure to loss related to the service agreement with Pure Air. Payments under this agreement were $4.9 million and $5.6 million for the three months ended March 31, 2016 and 2015, respectively.

15. Long-Term Debt

On March 31, 2016, NiSource Finance entered into a $500.0 million term loan agreement with a syndicate of banks. NiSource Finance may borrow up to $500.0 million at any time or from time to time before September 30, 2016. Until September 30, 2016, NiSource Finance will pay a fee of 17.5 basis points on any portion of the $500.0 million commitment that is not borrowed. Any portion of the $500.0 million commitment that is not borrowed at September 30, 2016 will be forfeited. The term loan matures March 29, 2019, at which point any and all outstanding borrowings under the agreement are due. Interest charged on borrowings depends on the variable rate structure elected by NiSource Finance at the time of each borrowing. The available variable rate structures from which NiSource Finance may choose are defined in the term loan agreement. As of March 31, 2016, NiSource had no outstanding borrowings under the term loan agreement.

On March 15, 2016, NiSource Finance redeemed $201.5 million of 10.75% senior unsecured notes at maturity.

16. Short-Term Borrowings

NiSource Finance currently maintains a $1.5 billion revolving credit facility with a syndicate of banks led by Barclays Capital with a termination date of July 1, 2020. The purpose of the facility is to fund ongoing working capital requirements including the provision of liquidity support for NiSource Finance's $1.5 billion commercial paper program, provide for issuance of letters of credit and for general corporate purposes. At March 31, 2016 and December 31, 2015, NiSource had no outstanding borrowings under this facility.

NiSource Finance's commercial paper program has a program limit of up to $1.5 billion with a dealer group comprised of Barclays, Citigroup, Credit Suisse and Wells Fargo. At March 31, 2016 and December 31, 2015, NiSource had $460.0 million and $321.4 million, respectively, of commercial paper outstanding.

As of March 31, 2016 and December 31, 2015, NiSource had $14.7 million of stand-by letters of credit outstanding all of which were under the revolving credit facility.

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited) in the amount of $385.3 million and $246.0 million as of March 31, 2016 and December 31, 2015, respectively. Refer to Note 10, "Transfers of Financial Assets," for additional information.

(in millions)	March 31, 2016	December 31, 2015
Commercial Paper weighted average interest rate of 1.00% at March 31, 2016 and December 31, 2015	$ 460.0	$ 321.4

Accounts receivable securitization facility borrowings	385.3	246.0
Total Short-Term Borrowings	$ 845.3	$ 567.4

Given their turnover is less than 90 days, cash flows related to the borrowings and repayments of the items listed above are presented net in the Condensed Statements of Consolidated Cash Flows (unaudited).

17. Share-Based Compensation

The NiSource stockholders originally approved and adopted the NiSource Inc. 2010 Omnibus Incentive Plan ("Omnibus Plan") at the Annual Meeting of Stockholders held on May 11, 2010. Stockholders re-approved the Omnibus Plan as amended at the Annual Meeting of Stockholders held on May 12, 2015. The Omnibus Plan provides for awards to employees and non-employee directors of incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards and supersedes the long-term incentive plan approved by stockholders on April 13, 1994 ("1994 Plan") and the Director Stock Incentive Plan ("Director Plan"). The Omnibus Plan provides that the number of shares of common stock of NiSource available for awards is 8,000,000 plus the number of shares subject to outstanding awards that expire or terminate for any reason that were granted under either the 1994 Plan or the Director Plan, plus the number of shares that were awarded as a result of the Separation-related adjustments. At March 31, 2016, there were 5,102,501 shares reserved for future awards under the Omnibus Plan.

NiSource recognized stock-based employee compensation expense of $4.2 million and $9.4 million for the three months ended March 31, 2016 and 2015, respectively, as well as related tax benefits of $1.6 million and $3.6 million, respectively.

As of March 31, 2016, the total remaining unrecognized compensation cost related to non-vested awards amounted to $22.9 million, which will be amortized over the weighted-average remaining requisite service period of 2.3 years.

Restricted Stock Units and Restricted Stock. During the three months ended March 31, 2016, NiSource granted 12,760 restricted stock units and shares of restricted stock, subject to service conditions. The total grant date fair value of the restricted stock units and shares of restricted stock was $0.2 million, based on the average market price of NiSource's common stock at the date of each grant less the present value of any dividends not received during the vesting period, which will be expensed, net of forfeitures, over the vesting period which is generally three years. As of March 31, 2016, 1,734,966 non-vested (all of which are expected to vest) restricted stock units and shares of restricted stock were granted and outstanding.

Performance Shares. During the three months ended March 31, 2016, NiSource granted 603,665 performance shares subject to service, performance and market conditions. The grant date fair value of the awards was $11.7 million, based on the average market price of NiSource's common stock at the date of each grant less the present value of dividends not received during the vesting period which will be expensed, net of forfeitures, over the vesting period which is generally three years. A Monte Carlo analysis was used to value the portion of these awards dependent on market conditions. As of March 31, 2016, 603,665 non-vested (all of which are expected to vest) performance shares were granted and outstanding.

401(k) Match, Profit Sharing and Company Contribution. NiSource has a voluntary 401(k) savings plan covering eligible employees that allows for periodic discretionary matches as a percentage of each participant's contributions payable in shares of NiSource common stock. NiSource also has a retirement savings plan that provides for discretionary profit sharing contributions payable in shares of NiSource common stock to eligible employees based on earnings results; and eligible exempt employees hired after January 1, 2010 receive a non-elective company contribution of 3% of eligible pay payable in shares of NiSource common stock. For the quarters ended March 31, 2016 and 2015, NiSource recognized 401(k) match, profit sharing and non-elective contribution expense of $6.6 million and $6.2 million, respectively.

18. Other Commitments and Contingencies

A. Guarantees and Indemnities. As a part of normal business, NiSource and certain subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include guarantees and stand-by letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended commercial purposes. At March 31, 2016, NiSource had issued stand-by letters of credit of approximately $14.7 million for the benefit of third parties.

B. Legal Proceedings. The Company is party to certain claims and legal proceedings arising in the ordinary course of business, none of which is deemed to be individually material at this time. Due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's results of operations, financial position or liquidity. If one or more of such matters were decided against the Company, the effects could be material to the Company's results of operations in the period in which the Company would be required to record or adjust the related liability and could also be material to the Company's cash flows in the periods the Company would be required to pay such liability.

C. Environmental Matters. NiSource operations are subject to environmental statutes and regulations related to air quality, water quality, hazardous waste and solid waste. NiSource believes that it is in substantial compliance with the environmental regulations currently applicable to its operations.

It is management's continued intent to address environmental issues in cooperation with regulatory authorities in such a manner as to achieve mutually acceptable compliance plans. However, there can be no assurance that fines and penalties will not be incurred. Management expects a significant portion of environmental assessment and remediation costs to be recoverable through rates for certain NiSource companies.

As of March 31, 2016 and December 31, 2015, NiSource had recorded an accrual of approximately $122.0 million and $123.2 million, respectively, to cover environmental remediation at various sites. The current portion of this accrual is included in "Legal and environmental" in the Condensed Consolidated Balance Sheets (unaudited). The noncurrent portion is included in "Other noncurrent liabilities" in the Condensed Consolidated Balance Sheets (unaudited). NiSource accrues for costs associated with environmental remediation obligations when the incurrence of such costs is probable and the amounts can be reasonably estimated. The original estimates for cleanup may differ materially from the amount ultimately expended. The actual future expenditures depend on many factors, including currently enacted laws and regulations, the nature and extent of contamination, the method of cleanup and the availability of cost recovery. These expenditures are not currently estimable at some sites. NiSource periodically adjusts its accrual as information is collected and estimates become more refined.

Air

The actions listed below could require further reductions in emissions from various emission sources. NiSource will continue to closely monitor developments in these matters.

Climate Change. Future legislative and regulatory programs, including implementation of the EPA CPP, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Additionally, certain rules that increase methane leak detection and permitting requirements for natural gas facilities could restrict GHG emissions or impose additional costs. The CPP and other federally enacted or proposed GHG reduction measures are subject to numerous legal challenges that could change the way the programs are implemented, and NiSource will carefully monitor all GHG reduction proposals and regulations. In addition to the federal programs, the United States and 194 other countries agreed by consensus to limit GHGs to Nationally Determined Contributions (NDCs) beginning after 2020 in the 2015 United Nations Framework Convention on Climate Change Paris Agreement. The United States has proposed a NDC of a 26-28% reduction from 2005 levels by 2025, a figure that cannot be met with the CPP alone.

National Ambient Air Quality Standards. The CAA requires the EPA to set NAAQS for particulate matter and five other pollutants considered harmful to public health and the environment. Periodically, the EPA imposes new, or modifies existing, NAAQS. States that contain areas that do not meet the new or revised standards or contribute significantly to nonattainment of downwind states may be required to take steps to achieve and maintain compliance with the standards. These steps could include additional pollution controls on boilers, engines, turbines and other facilities owned by electric generation and gas distribution operations.

The following NAAQS were recently added or modified:

Ozone: On October 26, 2015, the EPA issued a final rule to lower the 8-hour ozone standard from 75 ppb to 70 ppb. After the EPA proceeds with designations, areas where NiSource operates that are currently designated in attainment with the standards may be reclassified as nonattainment. NiSource will continue to monitor this matter and cannot estimate its impact at this time.

Waste

NiSource subsidiaries are potentially responsible parties at waste disposal sites under the CERCLA (commonly known as Superfund) and similar state laws. Additionally, NiSource affiliates have retained environmental liabilities, including cleanup liabilities, associated with certain former operations.

A program has been instituted to identify and investigate former MGP sites where Gas Distribution Operations subsidiaries or predecessors may have liability. The program has identified 64 such sites where liability is probable.

Remedial actions at many of these sites are being overseen by state or federal environmental agencies through consent agreements or voluntary remediation agreements.

NiSource utilizes a probabilistic model to estimate its future remediation costs related to its MGP sites. The model was prepared with the assistance of a third-party and incorporates NiSource and general industry experience with remediating MGP sites. NiSource completes an annual refresh of the model in the second quarter of each fiscal year. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2015. The total estimated liability at NiSource related to the facilities subject to remediation was \$109.7 million and \$110.4 million at March 31, 2016 and December 31, 2015, respectively. The liability represents NiSource’s best estimate of the probable cost to remediate the facilities. NiSource believes that it is reasonably possible that remediation costs could vary by as much as \$25 million in addition to the costs noted above. Remediation costs are estimated based on the best available information, applicable remediation standards at the balance sheet date and experience with similar facilities.

Additional Issues Related to Individual Business Segments

The sections below describe various regulatory actions that affect individual business segments for which NiSource has retained a liability.

Electric Operations.

Air

NIPSCO is subject to a number of air-quality mandates in the next several years. The mandates, which include the NSR Consent Decree, the Utility Mercury and Air Toxics Standards Rule (MATS) and the CPP, require or may require NIPSCO to make capital improvements to its electric generating stations. The cost of capital improvements associated with the NSR Consent Decree and MATS is estimated to be \$860 million, of which approximately \$27.2 million remains to be spent. The cost to comply with the CPP cannot be estimated at this time. Costs incurred for NSR Consent Decree and MATS compliance are currently being recovered through rates. NIPSCO believes that the costs associated with CPP compliance will be eligible for recovery through rates.

Utility Mercury and Air Toxics Standards Rule: On February 16, 2012, the EPA issued the MATS rule establishing new emissions limits for mercury and other air toxics. Certain affected NIPSCO units have completed projects to meet the April 2015 compliance deadline. For NIPSCO’s remaining affected units, a one-year compliance extension granted by IDEM delayed the compliance date until April 2016. On June 29, 2015, the United States Supreme Court remanded the MATS rule back to the United States Court of Appeals for the District of Columbia Circuit for further proceedings. On December 15, 2015, the United States Court of Appeals for the District of Columbia Circuit issued an order remanding the MATS rule to the EPA without vacating the rule. The MATS rule remains in effect while the EPA addresses the issues raised by the United State Supreme Court. The EPA indicates that these issues will be fully addressed in 2016. NIPSCO will continue to monitor developments in this matter. NIPSCO completed an IURC-approved plan for the installation of environmental controls needed to comply with the MATS extension.

Clean Power Plan: On October 23, 2015, the EPA issued a final rule to regulate CO_2 emissions from existing fossil-fuel EGUs under section 111(d) of the CAA. The final rule establishes national CO_2 emission-rate standards that are applied to each state’s mix of affected EGUs to establish state-specific emission-rate and mass-emission limits. The final rule requires each state to submit a plan indicating how the state will meet the EPA's emission-rate or mass-emission limit, including possibly imposing reduction obligations on specific units. If a state does not submit a satisfactory plan, the EPA will impose a federal plan on that state. On February 9, 2016, the U.S. Supreme Court stayed implementation of the CPP until litigation is decided on its merits. The cost to comply with this rule will depend on a number of factors, including the outcome of CPP litigation, the requirements of the state plan or final federal plan, and the level of NIPSCO's required CO_2 emission reductions. It is possible that this new rule, comprehensive federal or state GHG legislation or other GHG regulation could result in additional expense or compliance costs that could materially impact NiSource's financial results. NIPSCO will continue to monitor this matter and cannot estimate its impact at this time.

Cross State Air Pollution Rule: On December 3, 2015, the EPA issued a proposed rule to address interstate air quality impacts associated with the 2008 ozone NAAQS. Under the proposed rule, NIPSCO would be required to meet a more stringent NOx emission allocation. NIPSCO will continue to monitor this matter and cannot estimate its impact at this time.

Water

On August 15, 2014, the EPA issued the final Phase II Rule of the Clean Water Act Section 316(b), which requires all large existing steam electric generating stations to meet certain performance standards to reduce the effects on aquatic organisms at their cooling water intake structures. Under this rule, stations will have to either demonstrate that the performance of their existing fish protection systems meet the new standards or develop new systems, such as a closed-cycle cooling tower. The cost to comply will depend on a number of factors, including evaluation of the various compliance options available under the regulation and permitting-related determinations by IDEM. NIPSCO estimates that the cost of compliance is between $4 million and $35 million, dependent upon study results, agency requirements and technology ultimately required to achieve compliance.

On November 3, 2015, the EPA issued a final rule to amend the ELG and standards for the Steam Electric Power Generating category. The final rule became effective January 4, 2016. The rule imposes new water treatment and discharge requirements on

NIPSCO's electric generating facilities to be applied between 2018-2023. Based upon a preliminary engineering study, capital compliance costs are currently expected to be in the $225 million to $315 million range. NIPSCO believes that the costs associated with ELG compliance will be eligible for recovery through rates.

Waste

On April 17, 2015, the EPA issued a final rule for regulation of CCRs. The rule regulates CCRs under the Resource Conservation and Recovery Act Subtitle D, which determines them to be nonhazardous. The rule will require increased groundwater monitoring, reporting, record keeping and posting of related information to the Internet. The rule also establishes requirements related to CCR management, impoundments, landfills and storage. The rule will allow NIPSCO to continue its byproduct beneficial use program.

The publication of the CCR rule resulted in revisions to previously recorded legal obligations associated with the retirement of certain NIPSCO facilities. The actual asset retirement costs related to the CCR rule may vary substantially from the estimates used to record the increased asset retirement obligation due to the uncertainty about the compliance strategies that will be used and the preliminary nature of available data used to estimate costs. Refer to Note 6, "Asset Retirement Obligations," for further information. In addition, to comply with the rule, NIPSCO will be required to incur future capital expenditures to modify its infrastructure and manage CCRs. Based upon a preliminary engineering study, capital compliance costs are currently expected to be in the $130 million to $182 million range. As allowed by the EPA, NIPSCO will continue to collect data over time to determine the specific compliance solutions and associated costs and, as a result, the actual costs may vary. NIPSCO believes that the costs associated with CCR compliance will be eligible for recovery through rates.

D. Other Matters.

Transmission Upgrade Agreements. On February 11, 2014, NIPSCO entered into TUAs with upgrade sponsors to complete upgrades on NIPSCO’s transmission system on behalf of those sponsors. The upgrade sponsors agreed to reimburse NIPSCO for the total cost to construct transmission upgrades and place them into service, multiplied by a rate of 1.71 ("the multiplier").

On June 10, 2014, certain upgrade sponsors for both TUAs filed a complaint at the FERC against NIPSCO regarding the multiplier stated in the TUAs. On June 30, 2014, NIPSCO filed an answer defending the terms of the TUAs and the just and reasonable nature of the multiplier charged therein and moved for dismissal of the complaint. On December 8, 2014, the FERC issued an order in response to the complaint finding that it is appropriate for NIPSCO to recover, through the multiplier, substantiated costs of ownership related to the TUAs. The FERC set for hearing the issue of what constitutes the incremental costs NIPSCO will incur, but is holding that hearing in abeyance to allow for settlement. NIPSCO will continue to monitor developments in this matter and does not believe the conclusion of this matter will result in a material impact to the Condensed Consolidated Financial Statements (unaudited).

ITEM 1. FINANCIAL STATEMENTS (continued)
NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

19. Accumulated Other Comprehensive Loss

The following tables display the components of Accumulated Other Comprehensive Loss for the three months ended March 31, 2016 and 2015:

Three Months Ended March 31, 2016 (in millions)	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of January 1, 2016	$ (0.5)	$ (15.5)	$ (19.1)	$ (35.1)
Other comprehensive income before reclassifications	1.7	(71.2)	0.1	(69.4)
Amounts reclassified from accumulated other comprehensive loss	—	0.5	0.2	0.7
Net current-period other comprehensive income (loss)	1.7	(70.7)	0.3	(68.7)
Balance as of March 31, 2016	$ 1.2	$ (86.2		