

Columbia Gas of Pennsylvania, Inc.
2015 General Rate Case
Docket No. R-2015-2468056
Standard Filing Requirements
Exhibit 4
Volume 2 of 10

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

17. State whether any adjustments have been made to expenses in order to present such expenses on a basis comparable to the manner in which revenues are presented in this proceeding (i.e. accrued, billed, or cash).

Response: See Exhibit No. 4, Schedule 1, Page 2 and Exhibit 4, Schedule 2, for Operations and Maintenance Expense adjustments comparable to the normal level of revenues reported for the twelve months ended November 30, 2014 as shown in Exhibit No. 3.

Columbia Gas of Pennsylvania, Inc.
Statement of Operations and Maintenance Expense at Present Rates
Twelve Months Ended November 30, 2014

Line No.	Cost Element Description	Docket No. R-2014-2406274					Detail of Rate Making Adjustments Exhibit 4, Schedule 2 Reference
		Per Books Twelve Months Ended November 30, 2014	Rate Case Exp. Adjustments Exh. 4, Sch 2 Page 1	Polypipe Adjustments Exh. 4, Sch 2 Page 2	Rate Making Adjustments (4)	Normalized Twelve Months Ended November 30, 2014	
		(1) \$	(2) \$	(3) \$	(4) \$	(5) \$	(6)
1	Labor	25,550,026	0	0	1,119,411	26,669,437	Page 3
2	Incentive Compensation	1,963,563	0	0	(254,672)	1,708,891	Page 6
3	Pension	2,151,161	0	0	0	2,151,161	
4	OPEB	(829,647)	0	0	829,647	0	Page 8
5	Other Employee Benefits	5,081,412	0	0	0	5,081,412	
6	Outside Services	21,514,065	(392,001)	1,054,180	0	22,176,244	
7	Building Leases	944,568	0	0	214,126	1,158,694	Page 9
8	Other Rent and Leases	686,635	0	0	0	686,635	
9	Corporate Insurance	2,701,405	0	0	241,420	2,942,825	Page 10
10	Injuries and Damages	324,405	0	0	89,293	413,698	Page 11
11	Employee Expenses	1,227,423	(524)	0	0	1,226,899	
12	Company Memberships	272,054	0	0	(862)	271,191	Page 12
13	Utilities and Fuel Used in Company Operations	1,223,894	0	0	(422,985)	800,909	Page 13
14	Advertising	280,839	0	0	(231,338)	49,501	Page 14
15	Fleet & Other Clearing	5,751,000	0	0	0	5,751,000	
16	Materials & Supplies	5,379,194	(16,335)	0	0	5,362,859	
17	Other O&M	86,775	(785)	(917)	0	85,073	
18	PUC, OCA, OSBA Fees	1,767,435	0	0	333,405	2,100,840	Page 15
19	NCSC - Shared Services	31,221,141	(48,925)	0	(1,022,656)	30,149,560	Page 16
20	NCSC - NGD Shared Operations	18,915,049	0	0	181,404	19,096,453	Page 20
21	Deferred OPEB Refund Amortization	(303,696)	0	0	(1)	(303,697)	Page 24
22	NCSC OPEB costs Amortization	90,313	0	0	(0)	90,313	Page 25
23	NiFit Expense	530,976	0	0	(530,976)	0	Page 26
24	NIFIT Amortization	434,679	0	0	(28,839)	405,840	Page 27
25	Lobbying (Included in Multiple Cost Elements)	0	0	0	(143,950)	(143,950)	Page 28
26	Charitable Contributions	200	0	0	(200)	0	Page 29
27	2014 Rate Case Expense	0	0	0	1,030,000	1,030,000	Page 30
28	Uncollectible Accounts	4,471,022	0	0	134,833	4,605,855	Page 31
29	Uncollectible Accounts -Unbundled-gas	2,295,008	0	0	(470,506)	1,824,502	Page 31
30	Total USP Rider	24,128,692	0	0	4,670,652	28,799,344	Page 34
31	Interest on Customer Deposits	0	0	0	89,468	89,468	Page 35
32	Total Operation and Maintenance Expense	157,859,589	(458,570)	1,053,263	5,826,676	164,280,957	

Columbia Gas of Pennsylvania, Inc.
Rate Case Expense Removal
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
<u>Adjustment to Remove Prior Case Expense in HTY:</u>			
1	Outside Services		(392,001)
2	Employee Expenses		(524)
3	Materials & Supplies		(16,335)
4	NCSC - Shared Services		(48,925)
5	Other O&M		<u>(785)</u>
6	2014 Rate Case Expense	Docket No. R-2014-2406274	<u><u>(458,570)</u></u>

Columbia Gas of Pennsylvania, Inc.
Polypipe Expenses and Invoiced Credits Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Expense</u> (1)	<u>Credits</u> (2)	<u>Total</u> (3 = 1 + 2) \$
1	Outside Services	1,848	(1,056,028)	(1,054,180)
2	Other O&M	<u>917</u>	<u>0</u>	<u>917</u>
3	Total Polypipe Expense & Credits	<u>2,765</u>	<u>(1,056,028)</u>	<u>(1,053,263)</u>
4	Total Adjustment to remove Polypipe net credit from O&M			<u>1,053,263</u>

Columbia Gas of Pennsylvania, Inc.
Adjustment to Labor
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$	<u>Adjustment</u> \$
1	Normal Labor Pay Per Books	Exh. No. 4, Sch.2, Page 5, Ln. 4	37,373,759	
2	Annualized Labor at 11/30/14	Exh. No. 4, Sch.2, Page 4, Ln. 5	<u>39,322,466</u>	
3	Annualized Gross Payroll Adjustment	Line 2 less Line 1		1,948,707
4	HTY O&M Labor Percentage	Exh. No. 4, Sch.2, Page 7, Ln. 7		<u>57.4438%</u>
5	Annualization Adjustment to Labor O&M	Line 3 times Line 4		<u><u>1,119,411</u></u>

Columbia Gas of Pennsylvania, Inc.
Annualized Labor
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Employees</u>	<u>Amount</u> \$
1	Total Clerical Labor	68	3,885,951
2	Total Exempt Labor	111	9,397,197
3	Total Manual - Non-Union	11	752,565
4	Total Manual - Union	<u>390</u>	<u>25,286,753</u>
5	Total Active Annualized Labor	<u>580</u>	<u>39,322,466</u>

Columbia Gas of Pennsylvania, Inc.
Gross Payroll - Overtime and Premium Pay
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$ (1)
1	Base Hours (1)	1,174,801
2	Overtime Hours (1)	110,630
3	Total Hours (1)	<u>1,285,430</u>
4	Normal Pay (1)	37,373,759
5	Premium Pay (1)	299,374
6	Overtime Pay (1)	5,242,548
7	Affiliate	<u>365,290</u>
8	Total Payroll Dollars	<u>43,280,971</u>

(1) From Payroll Analysis of Labor Increases Report.

Columbia Gas of Pennsylvania, Inc.
Incentive Compensation Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$	<u>Adjustment</u> \$
1	Incentive Compensation per Books	Exh. 4, Sch. 1, Pg. 2, Ln. 2		1,963,563
2	Incentive Compensation Paid in 2014		2,974,893	
3	HTY O&M Labor Percentage	Exh. No. 4, Sch.2, Page 7, Ln.7	<u>57.4438%</u>	
4	Incentive Compensation Paid included in O&M	Ln 2 x Ln 3		<u>1,708,891</u>
5	Total Adjustment	Ln 4 - Ln 1		<u>(254,672)</u>

Columbia Gas of Pennsylvania, Inc.
HTY O&M Labor Percentage
Twelve Months Ended November 30, 2014

Line No.	Description	Historic Test Period Per Books \$	HTY O&M Percentage \$
	Labor		
1	O&M Expense	27,513,589	57.4438%
2	CWIP	18,665,816	38.9711%
3	RWIP	1,268,273	2.6479%
4	Fleet	393,505	0.8216%
5	Non-Utility	55,359	0.1156%
6	Total Gross Labor	<u>47,896,542</u>	<u>100.0000%</u>
7	HTY O&M Labor Percentage - (Ln 1 / Ln 6)		<u>57.4438%</u>

Columbia Gas of Pennsylvania, Inc.
OPEB Expense Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	OPEB Credit per Books - Adjustment to Remove	Exh. 4, Sch. 1, Pg. 2, Ln. 4	829,647

Columbia Gas of Pennsylvania, Inc.
Building Leases Adjustment
Twelve Months Ended November 30, 2014

Line No.	Lease Number	Type of Property					Adjustment
							\$
1		Total Building Lease expense per Books (Ex 4, Sch 1, Pg 2, Ln 7)					944,568
			Monthly				
			<u>Rental</u>	<u>Charged to</u>	<u>Charged to</u>	<u>Net</u>	<u>Annualized</u>
			<u>(1)</u>	<u>Other Comp.</u>	<u>A/C 107</u>	<u>Rental</u>	<u>Rental</u>
			\$	\$	\$	\$	\$
		<u>Building Leases</u>					
2	B-251	Uniontown Pa M O D Site	3,166	210	506	2,451	29,409
3	B-252	Bethel Park Pa Office	5,241	141	0	5,100	61,200
4	B-255	Charlerol Pa Operation Center	3,441	1,376	516	1,549	18,585
5	B-260	New Castle Pa M O D Site	7,720	1,010	1,007	5,704	68,442
6	B-268	Canonsburg Pa Headquarters	67,875	47,039	0	20,836	250,027
7	B-269	Greencastle Pa Storage Facility	1,413	0	0	1,413	16,955
8	B-270	Harrisburg Pa Office	1,570	0	0	1,570	18,836
9	B-271	Neville Island Pa M O D Site	3,700	0	0	3,700	44,400
10	B-275	Washington Pa Operating Center	813	510	102	200	2,400
11	B-276	Greensburg Pa Weld Shop	2,433	0	0	2,433	29,191
12	B-277	Somerset Pa M O D Site	5,450	0	3,113	2,338	28,050
13	B-266	Alpine Point Office, Bridgeville, Pa	51,638	5,121	0	46,518	558,214
14		Subtotal Building Leases	154,459	55,407	5,243	93,809	1,125,709
			Annual				
				<u>Cost</u>	<u>Charged to</u>	<u>Net</u>	
					<u>A/C 107</u>	<u>Cost</u>	
15		Property Taxes		42,171	9,186	32,985	32,985
16		Total Building Lease and Property Taxes TME 11-30-2014 (Ln 14 plus Ln 15)					1,158,694
17		Total Building Lease Adjustment (Ln 16 less Ln 1)					214,126

Columbia Gas of Pennsylvania, Inc.
Corporate Insurance Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Per Books</u> \$ (1)	<u>Premiums 2014/2015</u> <u>Premiums</u> \$ (2)	<u>Adjustment</u> \$ (3 = 2 - 1)
1	Total Account 924 Property Insurance		178,270	176,198	(2,072)
2	Total Account 925 Other Misc Insurance		2,196,566	2,488,326	291,760
3	Total Account 925 Workers Compensation		527,272	449,340	(77,933)
4	Account 925 Workers Comp Transferred to Capital		(200,703)	(171,038) 1_ /	29,665
5	Adjusted Account 925 Workers Compensation		326,570	278,301	(48,268)
6	Total Corporate Insurance	Ln 1 + Ln 2 + Ln 5	<u>2,701,405</u>	<u>2,942,825</u>	<u>241,420</u>

1_ / The Workers Comp. Transferred to Capital is calculated based on actual workers comp. transfers that took place in the test year (from Column 1).

Line					
No.	Year		Reference		Adjustment
					\$
1	Total Injuries and Damages Accrual per Books Ex. 4, Sch. 1, Pg. 2, Ln. 10				324,405
		Injuries & Damages Dollars \$	Average GDP Deflator	GDP Deflator 2013-2014 Index	Injuries & Damages 2010-2014 \$
2	12/13-11/14	261,045	1.084221429	1	261,045
3	12/12-11/13	362,842	1.067290906	0.984384626	368,598
4	12/11-11/12	325,681	1.051638701	0.969948271	335,772
5	12/10-11/11	309,942	1.033072106	0.952823914	325,288
6	12/09-11/10	<u>726,103</u>	1.012172018	0.933547328	<u>777,789</u>
7	Total	<u>1,985,613</u>			<u>2,068,492</u>
8	5 Year Average	397,123			413,698
9	Total Injuries and Damages Adjustment		(Line 8 less Line 1)		<u>89,293</u>

Columbia Gas of Pennsylvania, Inc.
Company Memberships - Industrial and Civic Associations Adjustment
Twelve Months Ended November 30, 2014

Line No.	Description	Reference	Amount \$	Adjustment \$
1	<u>INDUSTRIAL ASSOCIATIONS</u>			
2	African American Chamber of Commerce - 2014 Membership Fee	1_/	3,000	
3	Allegany County Chamber of Commerce - 2014 Membership Fee		287	
4	American Gas Association - 1st Quarter Dues 2014		35,983	
5	American Gas Association - 2nd Quarter Dues 2014		35,983	
6	American Gas Association - 3rd Quarter Dues 2014		35,983	
7	American Gas Association - 4th Quarter Dues 2014		35,983	
8	American Gas Association - Annual Event at NARUC Convention		417	
9	Beaver County Chamber of Commerce - 2014 Membership Fee		407	
10	Beaver County Corporation for Economic Development - 2014 Membership Fee		200	
11	Bradford Area Chamber of Commerce - 2014 Membership Fee		145	
12	Butler County Chamber of Commerce - 2014 Membership Fee		210	
13	Chamber of Business and Industry of Centre County - 2014 Membership Fee		235	
14	Common Ground Alliance - 2014 Bronze Sponsorship		1,618	
15	Energy Association of Pennsylvania - 2014 Membership Fee		89,224	
16	Fay Penn Economic Development Council - 2014 Membership Fee		2,000	
17	Hagerstown-Washington County Chamber of Commerce - 2014 Membership Fee		575	
18	Hanover Area Chamber of Commerce - 2014 Membership Fee		1,074	
19	Lawrence County Chamber of Commerce - 2014 Membership Fee		425	
20	McMurray Rotary Club - 2014 Membership Fee		680	
21	Mon Valley Regional Chamber of Commerce - 2014 Membership Fee		396	
22	Pennsylvania Chamber of Business & Industry - 2014 Membership Fee		20,000	
23	Pittsburgh Airport Area - The Chamber - 2014 Membership Fee		590	
24	Pittsburgh Region Clean Cities - 2014 Membership Fee		500	
25	Rochester Chamber of Commerce - 2014 Membership Fee		100	
26	Southpointe CEO Association - 2014 Membership Fee		2,000	
27	Southpointe Chamber of Commerce - 2014 Membership Fee		225	
28	The Engineering Society of York - 2014 Membership Fee		4	
29	The Pennsylvania Society - 2014 Membership Fee		75	
30	The Pennsylvania Society - 2014 Membership Fee		325	
31	Utility State Government Organization - 2014 Membership		1,875	
32	Washington County Chamber of Commerce - 2014 Membership fee		450	
33	York County Economic Alliance - 2014 Membership Fee		1,084	
34	Total Industrial Organizations		272,054	
35	Total Company Memberships Per Books	Ex. 4, Sch. 1, Pg. 2, Ln. 12		272,054
	<u>Adjustments:</u>			
36	To remove Allegany County Chamber of Commerce - 2014 Membership Fee - Cumberland, MD		(287)	
37	To remove Hagerstown, MD-Washington County Chamber of Commerce - 2014 Membership Fee		(575)	
38	Amercan Gas Association Dues - Per Books	Ln 4 + Ln 5 + Ln 6 + Ln 7	143,933	
39	Annualization of American Gas Associations Dues	Ln 7 times 4	2_/ 143,933	
40	Adjustment to American Gas Associations Dues		0	
41	Total adjustment for Company Memberships	Line 36 + Line 37 + Line 40		(862)
42	Adjusted Company Memberships HTY November 30, 2014	Line 35 + Line 41		271,191

1_/ Renewal of 2014 Lobbying Fee registration is Included in the adjustment for Lobbying Expenses on Exhibit No. 4, Schedule No. 1, Page 2 of 2, Line 25.

2_/ Lobbying Expenses make up 2.5% of AGA Dues. (\$143,933 x 2.5% = \$ 3,598) This amount was included in the adjustment for Lobbying expenses on Exhibit No. 4, Schedule No. 1, Page 2 of 2, Line 25.

Columbia Gas of Pennsylvania, Inc.
Fuel Used in Company Operations Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	Fuel Used in Company Operations - Amount to Remove	Ex. 2, Sch. 3, Pg. 3, Ln. 13	<u>(422,985)</u>

Columbia Gas of Pennsylvania, Inc.
Advertising Adjustment
Twelve Months Ended November 30, 2014

Line No.		Period Ending <u>11/30/14</u> \$
	<u>NEWSPAPER</u>	
1	a. Public Health & Safety	0
2	b. Conservation	0
3	c. Educational Billing, Rates, Supply, etc.	0
4	d. Institutional Programs	488
5	e. Other Advertising Programs	0
6	Total Newspaper Advertising Expense	<u>488</u>
	<u>TELEVISION</u>	
7	a. Public Health & Safety	0
8	b. Conservation	0
9	c. Educational Billing, Rates, Supply, etc.	0
10	d. Institutional Programs	43,249
11	e. Other Advertising Programs	0
12	Total Television Advertising Expense	<u>43,249</u>
	<u>RADIO</u>	
13	a. Public Health & Safety	0
14	b. Conservation	0
15	c. Educational Billing, Rates, Supply, etc.	29,652
16	d. Institutional Programs	26,750
17	e. Other Advertising Programs	0
18	Total Radio Advertising Expense	<u>56,402</u>
	<u>MAGAZINES & MISCELLANEOUS</u>	
19	a. Public Health & Safety	9,398
20	b. Conservation	0
21	c. Educational Billing, Rates, Supply, etc.	10,451
22	d. Institutional Programs	160,850
23	e. Other Advertising Programs	0
24	Total Mag. & Misc. Advertising Expense	<u>180,699</u>
25	Per Books Advertising Expense	280,839
26	Adjustments for Non-Recoverable Advertising	<u>(231,338)</u>
27	Normalized Expense	<u><u>49,501</u></u>
	<u>BILL INSERTS & BROCHURES (NCSC - Shared Services)</u>	
28	a. Public Health & Safety	15,245
29	b. Conservation	0
30	c. Educational Billing, Rates, Supply, etc.	126,120
31	d. Institutional Programs	0
32	e. Other Advertising Programs	0
33	Total Bill Insert Advertising Expense	<u><u>141,366</u></u>

Columbia Gas of Pennsylvania, Inc.
PUC, OCA, OSBA Fees Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> (1) \$
1	PUC, OCA, OSBA HTY Level Expense per Books	Exh 4, Sch. 1, Pg. 2, Ln. 18	1,767,435
2	Invoice - September 11, 2014		<u>2,100,840</u>
3	Adjustment	Line 2 - Line 1	<u><u>333,405</u></u>

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2014
Summary of Adjustments

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$ (1)	<u>Amount</u> \$ (2)	<u>Total NCSC</u> \$ (3)
1	Gross Charges - Historic Test Year		31,660,878		
2	Amounts Transferred to Balance Sheet and Non-utility Expense		(439,737)		
3	Net Amount Included in O&M Costs Per Books	Ln 1 + Ln 2			31,221,141
4	Incentive Compensation Test Year Adjustment	Exh 4, Sch 2, pg 17, Line 17			(297,188)
5	Historic Test Year Labor and Benefit Adjustment	Exh 4, Sch 2, pg 18, Line 14			(78,779)
6	Historic Test Year Removal of Phantom Stock				(335,175)
7	Adjustments for Non-Recoverable Items:				
8	Lobbying Charges			(6,247)	
9	Advertising			(10,137)	
10	Charitable Contributions			(22,845)	
11	Other Non-Recoverable Charges			(125,689)	
12	Total Non-Recoverable Items Adjustment	Ln 8 + Ln 9 + Ln 10 + Ln 11			(164,918)
13	Adjustments for Non-Recurring Items				(146,596)
14	Normalized Test Year Per Books	Ln 3 + Ln 4 + Ln 5 + Ln 6+ Ln 12 + Ln 13			30,198,485
15	Total NCSC - Shared Services Adjustment	Ln 14 - Ln 3			(1,022,656)

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2014
Incentive Compensation Adjustment

Line No.	Month	Reference	NCSC - Shared Services Total Accrued Incentive Compensation \$ (1)	NCSC - Shared Services % of Total NCSC Loaded Labor (2)	CPA Portion of Accrued Incentive Compensation \$ (3)
1	December-13		3,499,644	6.9100%	241,825
2	January-14		2,505,755	7.4300%	186,178
3	February-14		1,274,948	7.4700%	95,239
4	March-14		1,895,895	7.4000%	140,296
5	April-14		1,275,420	7.4100%	94,509
6	May-14		1,276,232	7.6800%	98,015
7	June-14		1,276,232	7.4400%	94,952
8	July-14		1,276,232	7.4600%	95,207
9	August-14		1,276,232	7.3200%	93,420
10	September-14		4,492,301	7.6400%	343,212
11	October-14		1,633,055	7.4900%	122,316
12	November-14		1,748,651	7.0100%	122,580
13	Total Accrued Incentive Compensation	Sum of Ln 1 through Ln 12	23,430,597		1,727,748
14	Incentive Compensation Paid in 2014		20,250,378	7.0100% (a)	1,419,551
15	Gross Historic Test Year Adjustment	Ln 14 - Ln 13			(308,196)
16	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 19, Ln 4			96.4280%
17	Net Historic Test Year Adjustment	Ln 15 x Ln 16			(297,188)

(a) CPA Portion of Incentive Compensation is same percentage used for the CPA Labor & Benefits Allocation. This percentage was determined by taking the November 2014 loaded labor.

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2014
Labor & Benefit Costs Annualized

Line	Total NCSC - Shared Services November 2014				
<u>No.</u>	<u>Description</u>	<u>Reference</u>	<u>Per Books 11/2014</u>	<u>% to NCSC - Shared</u>	<u>CPA Portion</u>
			<u>(1)</u>	<u>Services</u>	<u>(3)=(1) x (2)</u>
				<u>(2)</u>	
	<u>Labor Adjustment - Annualize Based on November 2014 Charges</u>	<u>Percentage:</u>			
1	November 2014 Labor Cost	Exh 4, Sch 2, Pg 17, Ln 14	7,241,090	7.0100%	507,600
2	November 2014 Payroll Taxes	Exh 4, Sch 2, Pg 17, Ln 14	436,374	7.0100%	30,590
3	November 2014 Benefits (w/o Pension & OPEB)	Exh 4, Sch 2, Pg 17, Ln 14	1,682,411	7.0100%	117,937
4	<u>Payroll & Benefit Costs Per Labor</u>				
5	Payroll Taxes Per Labor Cost	Ln 2 / Ln 1			6.0264%
6	Benefits (w/o Pension & OPEB) Per Labor Cost	Ln 3 / Ln 1			23.2342%
7	<u>Annualization Adjustments</u>				
8	Annualized Labor	Ln 1 x 12			6,091,200
9	Total Labor Per Books				6,154,403
9	Total Annualized Labor Adjustment	Ln 8 - Ln 9			(63,203)
10	Annualized Payroll Taxes Adjustment	Ln 9 x Ln 5			(3,809)
11	Annualized Benefit (w/o Pension & OPEB) Adjustment	Ln 9 x Ln 6			(14,685)
12	Total Gross Labor, Payroll Taxes & Benefit Adjustment	Ln 9 + Ln 10 + Ln 11			(81,697)
13	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 19, Ln 4			96.4280%
14	Total Net Labor, Payroll Taxes, & Benefits net Adjustment	Ln 12 x Ln 13			(78,779)

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2014
Calculate % of Labor Costs Charged to O&M

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total</u> \$ (1)
1	Test Year Loaded Labor		9,693,189
2	Test Year Labor charged to O&M		<u>9,346,947</u>
3	Test Year Labor charged to Balance Sheet and Non-Utility Expense	Ln 1 - Ln 2	346,242
4	Percentage of Labor charged to O&M	Ln 2 / Ln 1	96.4280%
5	Percentage of Labor charged to Balance Sheet and Non-Utility Expense	Ln 3 / Ln 1	3.5720%

Columbia Gas of Pennsylvania, Inc.
NCSC - NGD Shared Operations
Twelve Months Ended November 30, 2014
Summary of Adjustments

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$ (1)	<u>Amount</u> \$ (2)	<u>Total NCSC</u> \$ (3)
1	Gross Charges - Historic Test Year		26,972,949		
2	Amounts Transferred to Balance Sheet and Non-utility Expense		(8,057,900)		
3	Net Amount Included in O&M Costs Per Books	Ln 1 + Ln 2			18,915,049
4	Incentive Compensation Test Year Adjustment	Exh 4, pg 21, Line 17			25,629
5	Historic Test Year Labor and Benefit Adjustment	Exh 4, pg 22, Line 14			263,812
6	Adjustments for Non-Recoverable Items				
7	Lobbying Charges			(104)	
8	Advertising			(43,852)	
9	Charitable Contributions			(10,493)	
10	Other Non-Recoverable Charges			(53,588)	
11	Total Non-Recoverable Items Adjustment	Ln 7 + Ln 8 + Ln 9 + Ln 10			(108,037)
12	Adjustments for Non-Recurring Items				-
13	Normalized Test Year Per Books	Ln 3 + Ln 4 + Ln 5 + Ln 11+ Ln 12			19,096,453
14	Total NCSC - NGD Shared Operations Adjustment	Ln 13 - Ln 3			181,404

Columbia Gas of Pennsylvania, Inc.
NCSC - NGD Shared Operations
Twelve Months Ended November 30, 2014
Incentive Compensation Adjustment

Line No.	Month	Reference	NCSC - NGD Shared Operations Total Accrued Incentive Compensation \$ (1)	NCSC - NGD Shared Operations % of Total NCSC Loaded Labor (2)	CPA Portion of Accrued Incentive Compensation \$ (3)
1	December-13		1,258,622	20.5200%	258,269
2	January-14		874,638	20.1000%	175,802
3	February-14		565,689	20.5000%	115,966
4	March-14		565,689	20.3300%	115,005
5	April-14		565,218	19.8100%	111,970
6	May-14		564,406	20.1500%	113,728
7	June-14		564,406	20.1600%	113,784
8	July-14		564,406	20.4900%	115,647
9	August-14		564,406	19.6600%	110,962
10	September-14		1,529,948	19.6900%	301,247
11	October-14		672,206	20.0200%	134,576
12	November-14		952,002	20.0300%	190,686
13	Total Accrued Incentive Compensation	Sum of Ln 1 through Ln 12	9,241,636		1,857,641
14	Incentive Compensation Paid in 2014		9,474,091	20.0300% (a)	1,897,660
15	Gross Historic Test Year Adjustment	Ln 14 - Ln 13			40,019
16	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 23, Ln 4			64.0410%
17	Net Historic Test Year Adjustment	Ln 15 x Ln 16			25,629

(a) CPA Portion of Incentive Compensation is same percentage used for the CPA Labor & Benefits Allocation. This percentage was determined by taking the November 2014 loaded labor.

Columbia Gas of Pennsylvania, Inc.
NCSC - NGD Shared Operations
Twelve Months Ended November 30, 2014
Labor & Benefit Costs Annualized

Line		Total NCSC - NGD Shared Operat November 2014			
<u>No.</u>	<u>Description</u>	<u>Reference</u>	<u>Per Books 11/2014</u> (1)	<u>% to NCSC - NGD</u> <u>Shared Operations</u> (2)	<u>CPA Portion</u> (3)=(1) x (2)
	<u>Labor Adjustment - Annualize Based on November 2014 Charges</u>	<u>Percentage:</u>			
1	November 2014 Labor Cost	Exh 4, Sch 2, Pg 21, Ln 14	5,247,975	20.0300%	1,051,169
2	November 2014 Payroll Taxes	Exh 4, Sch 2, Pg 21, Ln 14	304,296	20.0300%	60,950
3	November 2014 Benefits (w/o Pension & OPEB)	Exh 4, Sch 2, Pg 21, Ln 14	1,264,012	20.0300%	253,182
4	<u>Payroll & Benefit Costs Per Labor</u>				
5	Payroll Taxes Per Labor Cost	Ln 2 / Ln 1			5.7983%
6	Benefits (w/o Pension & OPEB) Per Labor Cost	Ln 3 / Ln 1			24.0858%
7	<u>Annualization Adjustments</u>				
8	Annualized Labor	Ln 1 x 12			12,614,028
9	Total Labor Per Books				12,296,866
10	Total Annualized Labor Adjustment	Ln 8 - Ln 9			317,162
11	Annualized Payroll Taxes Adjustment	Ln 10 x Ln 5			18,390
12	Annualized Benefit (w/o Pension & OPEB) Adjustment	Ln 10 x Ln 6			76,391
13	Total Gross Labor, Payroll Taxes & Benefit Adjustment	Ln 10 + Ln 11 + Ln 12			411,943
14	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 23, Ln 4			64.0410%
15	Total Net Labor, Payroll Taxes, & Benefits net Adjustment	Ln 13 x Ln 14			263,812

Columbia Gas of Pennsylvania, Inc.
NCSC - NGD Shared Operations
Twelve Months Ended November 30, 2014
Calculate % of Labor Costs Charged to O&M

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total</u> \$ (1)
1	Test Year Loaded Labor		18,460,390
2	Test Year Labor charged to O&M		<u>11,822,227</u>
3	Test Year Labor charged to Balance Sheet and Non-Utility Expense	Ln 1 - Ln 2	6,638,163
4	Percentage of Labor charged to O&M	Ln 2 / Ln 1	64.0410%
5	Percentage of Labor charged to Balance Sheet and Non-Utility Expense	Ln 3 / Ln 1	35.9590%

Columbia Gas of Pennsylvania, Inc.
Deferred OPEB Refund Amortization
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$	<u>Adjustment</u> \$
1	OPEB Deferred Refund HTY Expense per Books	Exh. 4, Sch. 1, Pg. 2, Ln. 21		(303,696)
2	Deferred OPEB Refund Amortization Per Order	Docket No. R-2014-2406274	(607,393)	
3	Amortized over 2 years		<u>2</u>	
4	Annual amortization	Line 2 / Line 3	(303,697)	(303,697)
5	Adjustment	Line 4 - Line 1		<u><u>(1)</u></u>

Columbia Gas of Pennsylvania, Inc.
NCSC OPEB Amortization
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$	<u>Adjustment</u> \$
1	NCSC OPEB Amortization HTY Expense per Books	Exh 4, Sch. 1, Pg. 2, Ln. 22		90,313
2	Deferred NCSC OPEB Related Costs	Docket No. R-2014-2406274	903,131	
3	Amortized over 10 years		<u>10</u>	
4	Annual amortization	Line 2 / Line 3	90,313	90,313
5	Adjustment	Line 4 - Line 1		<u><u>(0)</u></u>

Columbia Gas of Pennsylvania, Inc.
NiFit Expense Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	To remove Non-Labor NIFit Expense	Exh 4, Sch. 1, Pg. 2, Ln. 23	<u>(530,976)</u>

Columbia Gas of Pennsylvania, Inc.
NiFit Amortization Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$	<u>Adjustment</u> \$
1	NiFit Amortization HTY Expense Level per Books	Exh 4, Sch. 1, Pg. 2, Ln. 24		434,679
2	Deferred Non-Labor NiFit Costs	Docket No. R-2014-2406274	2,029,202	
3	Amortized over 5 years		<u>5</u>	
4	Annual amortization	Line 2 / Line 3		405,840
5	Adjustment	Line 4 - Line 1		<u>(28,839)</u>

Columbia Gas of Pennsylvania, Inc.
Lobbying Expenses Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$
1	Internal Labor	(16,480)
2	Overheads	(5,452)
3	Memberships	(20,258) 1_ /
4	Consultants	<u>(101,760)</u>
5	Total Lobbying Expense to be Removed	<u><u>(143,950)</u></u>

1_ / Includes AGA lobbying expense, Exhibit No. 4, Schedule No. 2, Page 12 ($\$143,933 \times 2.50\% = \$3,598$)

Columbia Gas of Pennsylvania, Inc.
Charitable Contributions Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	Charitable Contributions - Adjustment to Remove 1/	Ex. 4, Sch. 15, Attach. A, Pg. 1	<u>(200)</u>

1/ Charitable Contributions are normally booked below the line in a non-utility account; this adjustment removes contributions that were inadvertently booked above the line.

Columbia Gas of Pennsylvania, Inc.
Rate Case Expense Normalization
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	Current Rate Case Expense Per Books	Exh. 4, Sch. 1, Page 2, Line 27	-
2	Normalized Rate Case Expense	Exh. 104, Sch. 2, Pg. 21	<u>1,030,000</u>
3	Rate Case Expense Normalization Adjustment	Line 2 - Line 1	<u><u>1,030,000</u></u>

Columbia Gas of Pennsylvania, Inc.
Adjustment To Uncollectible Accounts Expense
Twelve Months Ended November 30, 2014

Line No.	12 Mos Ended 11/2012 \$	12 Mos Ended 11/2013 \$	12 Mos Ended 11/2014 \$	Total 3 Year Average \$	12 Mos Ended 11/2014 Detail \$	Adjustment \$	Base Rate Uncoll	Unbundled Uncoll \$
1	Normal DIS Charge-Offs Recovered Through Base Rates (Non CAP)							
2	Total DIS Billed Revenue [1]	311,592,112	388,528,806	478,655,428	1,178,776,347			
3	CAP Revenue Included above (Page 33) [1]	9,681,842	12,246,073	15,014,943.05	36,942,859			
4	Adjusted DIS Billed Revenue (Line 2 less 3)	301,910,270	376,282,733	463,640,485	1,141,833,488			
5	Gross Charge-offs - Sales Acct.	6,287,563	6,604,856	8,236,820				
6	Gross Charge-offs - Choice Acct.	487,416	491,667	648,664				
7	Recoveries - Sales Acct.	(2,482,938)	(2,265,285)	(2,638,892)				
8	Recoveries - Choice Acct.	(145,458)	(124,124)	(188,545)				
9	Net Write-offs (Lines 5 through 8)	4,146,583	4,707,115	6,058,147	14,911,845			
10	Uncollectible Accounts Average Write-off Rate (Line 9 / Line 4)	0.0137345	0.0125095	0.0130665	0.0130596			
11	Total Annualized DIS Revenue				509,073,160			
12	Adjustments to Annualized Revenue:							
13	CAP Revenue Exhibit 3, Schedule 1, Page 3, Line 47				16,921,351			
14	Annualized DIS Revenue adjusted (Ln 11 less Ln 13)				492,151,809			
15	Uncollectible Accounts Average Write-off Rate				0.0130596			
16	Total Annualized DIS Uncollectible Accounts				6,427,287	6,427,287		
17	GMB / GTS Uncollectible							
18	Total Annualized GMB/GTS Revenue				35,889,966			
19	Gross Charge-offs - GMB	11,546	(1,964)	0				
20	Recoveries - GMB Acct.	(289)	(83)	0				
21	Net Write-offs	11,257	(2,046)	0	9,211			
22	GMB/GTS Uncollectible Accounts 3 Year Average Write-off (Ln 21 / 3 years)			3,070		3,070		
23	Total Annualized DIS & GMB/GTS Uncollectible Accounts (Ln 16 + Ln 22)					6,430,357	4,605,855	1,824,502 [2]
24	Test Year Uncollectible Accounts Acct. 904-3250 (12 Months Ended November 30, 2014)				6,649,450			
25	Test Year Uncollectible Accounts Acct. 904-3252 (12 Months Ended November 30, 2014)				116,580			
26	Total Test Year Uncollectible				6,766,030		4,471,022	2,295,008
27	Total Uncollectible Adjustment (Line 23 - Line 26)					(335,673)	134,833	(470,506)

[1] Under the assumption that receivables are not written-off until 120 days past the billing date, revenues are shown for the 12 months Ending 7/2012, 7/2013 and 7/2014.

[2] The Proposed PGA Uncollectible Expense to be recovered as the Merchant Function Charge (MFC),(Exhibit 3, Page 10, Col 5, Line 18)

Columbia Gas of Pennsylvania, Inc.
Uncollectible Experience Factor by Class
Twelve Months Ended November 30, 2014

Line No.	12 Mos Ended 11/2012 \$ (1)	12 Mos Ended 11/2013 \$ (2)	12 Mos Ended 11/2014 \$ (3)	Total / 3 Year Average Rate \$ (4)	
Residential					
1	Total DIS Billed Revenue (Note 1)	249,281,650	309,195,616	380,018,796	938,496,062
2	CAP Revenue Included above	9,681,842	12,246,073	15,014,943	36,942,859
3	Adjusted DIS Billed Revenue (Line 1 less Line 2)	239,599,808	296,949,543	365,003,853	901,553,203
4	Gross Charge-offs (Line 18 x Line 23)	6,232,303	6,528,092	8,355,115	21,115,510
5	Recoveries (Line 19 x Line 23)	(2,417,861)	(2,198,017)	(2,658,639)	(7,274,517)
6	Net Write-offs (Line 4 + Line 5)	3,814,442	4,330,075	5,696,476	13,840,993
7	Residential Uncollectible Accounts Average Write-off Rate (Line 6 / Line 3)	0.0159201	0.0145819	0.0156066	0.0153524
Commercial & Industrial					
8	Total DIS Billed Revenue (Note 1)	62,310,462	79,333,190	98,636,633	240,280,285
9	CAP Revenue Included above	0	0	0	0
10	Adjusted DIS Billed Revenue (Line 8 less 9)	62,310,462	79,333,190	98,636,633	240,280,285
11	Gross Charge-offs (Line 18 - Line 4)	542,676	568,432	530,469	1,641,577
12	Recoveries (Line 19 - Line 5)	(210,535)	(191,392)	(168,798)	(570,724)
13	Net Write-offs (Line 11 + Line 12)	332,141	377,040	361,671	1,070,852
14	C&I Uncollectible Accounts Average Write-off Rate (Line 13 / Line 10)	0.0053304	0.0047526	0.0036667	0.0044567
Total					
15	Total DIS Billed Revenue (Line 1 + Line 8) (Note 1)	311,592,112	388,528,806	478,655,428	1,178,776,347
16	CAP Revenue Included above (Line 2 + Line 9)	9,681,842	12,246,073	15,014,943	36,942,859
17	Adjusted DIS Billed Revenue (Line 15 less 16)	301,910,270	376,282,733	463,640,485	1,141,833,488
18	Gross Charge-offs	6,774,979	7,096,524	8,885,584	22,757,087
19	Recoveries	(2,628,396)	(2,389,409)	(2,827,437)	(7,845,241)
20	Net Write-offs (Line 18 + Line 19)	4,146,583	4,707,115	6,058,147	14,911,845
21	Total Uncollectible Accounts Average Write-off Rate (Line 20 / Line 17)	0.0137345	0.0125095	0.0130665	0.0130596
22	Charge-off Percentages (Data only available for 12 months ending 11/30/2014 & 11/30/2013)				
		11/30/2013	11/30/2013	11/30/2014	
23	Residential	91.990%	91.990%	94.030%	
24	Commercial & Industrial	8.010%	8.010%	5.970%	

Note 1 - Under assumption that receivables are not written-off until 120 days past the billing date, revenues shown are for the 12 months Ending 7/2012, 7/2013 and 7/2014.

Exh. 4, Sch. 2, P. 31

Columbia Gas of Pennsylvania, Inc.
CAP Revenue Per Books
Twelve Months Ended November 30, 2014

Line No.	Month	DTH Volumes	Total Billed Amount [1] \$
1	Aug-11	33,579.8	236,535.21
2	Sep-11	39,338.3	228,594.73
3	Oct-11	74,859.0	340,829.12
4	Nov-11	198,942.7	921,432.10
5	Dec-11	291,349.9	1,184,669.34
6	Jan-12	449,421.9	1,568,888.24
7	Feb-12	415,179.0	1,465,789.85
8	Mar-12	357,158.3	1,300,200.60
9	Apr-12	187,257.8	829,815.85
10	May-12	143,399.5	709,486.72
11	Jun-12	53,034.0	457,585.21
12	Jul-12	<u>37,486.7</u>	<u>438,015.52</u>
13		<u>2,281,006.9</u>	<u>9,681,842.49</u>
1	Aug-12	33,764.8	427,146.74
2	Sep-12	36,347.4	427,960.63
3	Oct-12	83,124.0	580,949.55
4	Nov-12	1,995,530.2	1,016,589.49
5	Dec-12	323,223.9	1,506,222.81
6	Jan-13	432,364.1	1,919,401.25
7	Feb-13	444,524.8	1,959,156.64
8	Mar-13	412,444.3	1,837,378.26
9	Apr-13	187,257.8	829,815.85
10	May-13	119,632.2	734,867.56
11	Jun-13	67,510.2	542,825.35
12	Jul-13	<u>374,446.3</u>	<u>463,759.03</u>
13		<u>4,510,170.0</u>	<u>12,246,073.16</u>
1	Aug-13	34,727.6	489,538.49
2	Sep-13	39,849.1	512,471.59
3	Oct-13	61,794.5	614,096.98
4	Nov-13	185,717.7	1,113,105.05
5	Dec-13	323,223.9	1,506,222.81
6	Jan-14	509,327.8	2,452,095.58
7	Feb-14	545,892.5	2,455,446.42
8	Mar-14	482,329.6	2,179,754.65
9	Apr-14	312,064.5	1,564,986.07
10	May-14	154,970.8	976,052.37
11	Jun-14	60,837.9	622,562.21
12	Jul-14	<u>38,785.2</u>	<u>528,610.83</u>
13		<u>2,749,521.1</u>	<u>15,014,943.05</u>

[1] Includes demand cost

Columbia Gas of Pennsylvania, Inc.
USP Rider Adjustment
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Total USP Rider Amount</u> \$
1	Total USP Rider HTY Expense Level per Books	Exh. 4, Sch. 1, Pg. 2, Ln. 30	24,128,692
2	Total USP Rider Proforma Historic Test Year	Exhibit No. 3, Pg 10, Col. 3, Ln 18	<u>28,799,344</u>
3	Total Adjustment	Line 2 - Line 1	<u><u>4,670,652</u></u>

Columbia Gas of Pennsylvania, Inc.
Interest on Customer Deposits
Twelve Months Ended November 30, 2014

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$	<u>Reference</u>
1	Average Customer Deposit Balance	2,982,271	Account 235 - 14260
2	Interest rate to be applied in 2014	<u>3.00%</u>	Per Act 201 (Ch. 14), Section 202
3	Interest on Customer Deposits @ Current Rate	<u><u>89,468</u></u>	

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 III BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

34. Prepare a 3 column schedule of expenses, as described below for the following period

- a. Col 4 - Test Year
b. Col 2 and 3 -the two previous years

Columbia Gas of Pennsylvania, Inc..
Statement of Rate Making Operations and Maintenance Expense by Cost Element
Twelve Months Ended November 30, 2012 and November 30, 2013 and November 30, 2014 before Normalization

Cost Element		Twelve Months Ended		Increase/
(1)	November 30, 2012	November 30, 2013	November 30, 2014	(Decrease)
	(2)	(3)	(4)	(5=4-3)
	\$	\$	\$	\$
Labor	23,711,558	25,216,340	25,577,234	360,894
Incentive Compensation	1,921,801	1,476,899	1,963,563	486,664
OPEB	1,625,711	(584,512)	(829,647)	(245,135)
Other Employee Benefits	12,281,544	6,146,516	7,205,364	1,058,848
Outside Services	16,477,828	21,647,976	27,421,231	5,773,255
Rent and Leases	1,470,825	1,725,311	1,625,227	(100,084)
Corporate Insurance	2,760,125	2,744,369	2,701,405	(42,964)
Injuries and Damages	255,074	334,942	324,405	(10,537)
Employee Expenses	1,531,302	1,293,765	1,227,423	(66,342)
Company Memberships	262,771	246,269	272,054	25,785
Utilities and Fuel Used in Company Operations	1,114,284	1,215,231	1,223,894	8,663
System Services	40,465,955	42,304,325	50,136,200	7,831,875
Uncollectible Accounts	4,759,449	4,700,135	6,766,030	2,065,895
Uncollectible CAP	9,560,919	10,949,281	16,393,437	5,444,156
Advertising	164,512	168,779	280,839	112,060
Other O&M	7,712,528	9,153,282	13,797,329	4,644,047
Royalties	5,976	5,976	5,976	(0)
PUC, OCA, OSBA Fees	1,503,734	1,594,824	1,767,435	172,611
Charitable Contributions	13,311	8,742	200	(8,542)
Total	127,599,207	130,348,450	157,859,599	27,511,150

Columbia Gas of Pennsylvania, Inc..
Rate Making Operation and Maintenance Expense by Cost Element
Twelve Months Ended November 30, 2013 and November 30, 2014 before Normalization

<u>Cost Element</u>		<u>Increase/ (Decrease)</u>
		\$
Labor	The cost element includes Operation & Maintenance expenses for Pennsylvania employees. The increase is primarily due to increased mains and services expense, plant supervision and stock compensation.	360,894
Incentive Compensation	The cost element includes the incentive compensation for employees. The increase is primarily due to accruing at an increased incentive level for 2014 vs. 2013.	486,664
OPEB	The cost element includes OPEB benefit costs. The decrease is primarily due to decreased costs based on actuary study in 2014.	(245,135)
Other Employee Benefits	The cost element includes benefit costs for medical, dental, life insurance, LTD and thrift plan. The increase is primarily due to funding the pension in 2014. The increase is partially offset by decrease in medical expense in 2014	1,058,848
Outside Services	The cost element includes charges for outside services for operation and maintenance expense. The increase is primarily due to increased distribution operating expenses ; including leak repair, line locates, paving restoration, line inspections, and material specifications.	5,773,255
Rent and Leases	The cost element includes rent for buildings and equipment used by Pennsylvania employees, such as CPA headquarters and operating centers. The decrease is primarily due to decrease in distribution operating rents.	(100,084)
Corporate Insurance	The cost element includes property, liability, officer and director and other corporate insurance policies. The decrease is primarily due to decreased property insurance.	(42,964)
Injuries and Damages	Based on Management's analysis, the injuries and damages accrual was decreased for the current year.	(10,537)
Employee Expenses	The cost element includes employee travel and expenses, meals, meetings, employee awards, relocation expense and professional dues. The decrease is primarily due to decreased employee awards.	(66,342)
Company Memberships	The cost element includes industry and civic association memberships. The increase is primarily due to increased industry association expenses.	25,785
Total		7,240,385

Columbia Gas of Pennsylvania, Inc..
Rate Making Operation and Maintenance Expense by Cost Element
Twelve Months Ended November 30, 2013 and November 30, 2014 before Normalization

<u>Cost Element</u>		<u>Increase/ (Decrease)</u> \$
Utilities and Fuel Used in Company Operations	The cost element includes utilities and fuel used in company operations. The increase is primarily related to increased gas used and electric charges, partially offset by decreased cell phone charges.	8,663
System Services	The cost element includes labor and expenses billed by NiSource Corporate Services. Please see Exhibit No.4, Schedule 11 for additional explanation of charges.	7,831,875
Uncollectible Accounts	The cost element includes charges for the uncollectible accounts accrual. The increase is primarily due to a an increase in accrual based on management's analysis of receivables, and an increase in expense for large volume customers.	2,065,895
Uncollectible CAP	The cost element includes charges for the CAP program. The increase in shortfall amortization was the primary cause of the increase.	5,444,156
Advertising	The cost element includes general advertising expenses for communications and customer information. The increase is primarily due to increased communications advertising.	112,060
Other O&M	The increase is primarily due to increased USP rider amortization, NiFit costs, OPEB amortization, and materials and supplies. This increase is partially offset by decreased trucks and tools cleared.	4,644,047
Royalties	The cost element includes storage well rents and royalties.	(0)
PUC OCA, OSBA Fees	The cost element includes commission fees, consumer advocate fees, and office of small business advocate fees. The increase is primarily due to increased PUC fees.	172,611
Charitable Contributions	Includes contributions to local chambers of commerce, and local civic groups. Contributions based on management discretion each year.	(8,542)
Total		27,511,150

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

20. Supply detailed calculations of amortization of rate case expense, including supporting data for outside services rendered. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense), the items comprising the actual expenses of prior rate cases and the unamortized balances.

Response: See Exhibit No. 104 Schedule 2 for adjustments to Operations and Maintenance expenses for the anticipated detailed costs of this current rate case presentation.

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. All UTILITIES

21. Submit detailed computation of adjustments to operating expenses for salary, wage and fringe benefit increases (union and non-union merit, progression, promotion and general) granted during the test year and six months subsequent to the test year. Supply data showing for the test year:

- a. Actual payroll expense (regular and overtime separately) by categories of operating expenses, i.e., maintenance, operating transmission, distribution, other.

Twelve Months Ended November 30, 2014

	<u>Operation</u>	<u>Maintenance</u>	<u>Total</u>
	\$	\$	\$
Other Gas Supply	0	0	0
Underground Storage	39,539	5,565	45,104
Distribution	16,191,879	5,702,724	21,894,603
Customer Accounts	1,100,802	0	1,100,802
Customer Service & Informational	0	0	0
Sales Promotion	0	0	0
Administrative & General	<u>4,473,081</u>	<u>0</u>	<u>4,473,081</u>
 Total Labor Charged to Expense	 21,805,300	 5,708,289	 27,513,589

Neither the Uniform Systems of Accounts nor Company records distinguish between regular and overtime labor charged to functional accounts.

21. b. Date, percentage increase, and annual amount of each general payroll increase during the test year.

	<u>Date</u> <u>Effective</u>	<u>Percent</u> <u>Increase</u>	<u>Estimated</u> <u>Annual</u> <u>Amount</u>
United Steelworkers of America - Local 7139-03	September 15, 2014	2.00%	\$6,924
United Steelworkers of America - Local 13836-14	September 15, 2014	2.00%	\$88,011
Utility Workers Union of America - Local 475	September 30, 2014	2.00%	\$166,849
Utility Workers Union of America - Local 479	November 1, 2014	2.00%	\$91,022
United Steelworkers of America - Local 1852-17	April 1, 2014	3.00%	<u>\$143,894</u>
			\$553,700

21. c. Dates and annual amounts of merit increase or management salary adjustments.

	<u>Date</u> <u>Effective</u>		<u>Estimated</u> <u>Gross</u>
Clerical	June 1, 2014	3.00%	\$116,579
Exempt (Refer to GAS-RR-28)	June 1, 2014	3.00%	\$281,916
Manual Non-Union	June 1, 2014	3.00%	<u>\$22,577</u>
			\$421,071

21. d. Total annual payroll Increases in the test year.

	<u>Estimated</u> <u>Gross</u>
Clerical	\$116,579
Exempt	\$281,916
Manual Non-Union	\$22,577
Union	<u>\$553,700</u>
	\$974,771

21. e. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data (by categories of expenses).

Total Labor (includes incentive compensation & new employees)
charged to Operating and Maintenance Expense

Per Books Twelve Months Ended November 30, 2014	\$27,513,589
Adjustments (Exhibit No. 4)	<u>\$864,739</u>
Annualized November 30, 2014	<u>\$28,378,328</u>
FTY Per Budget November 30, 2015	\$29,652,000
Adjustments (Exhibit No. 104) FTY	<u>\$328,201</u>
Annualized November 30, 2015	<u>\$29,980,201</u>
FFRY Per Budget December 31, 2016	\$31,877,000
Adjustments (Exhibit No. 104) FFRY	<u>\$297,299</u>
Annualized December 31, 2016	<u>\$32,174,299</u>

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

21 f. Detailed list of employee benefits and cost thereof for union and non-union personnel. Any specific benefits for executive and officers should also be included, and cost thereof.

Response: See Standard Data Request GAS-RR-024 and Exhibit No. 4, Schedule No. 1, Page 2.

21 g. Support the annualized pension costs figures.

(i) State whether these figures included any unfunded pension costs. Explain.

(ii) Provide latest actuarial study used for determining pension accrual rates.

Response: See Exhibit No. 4, Schedule No. 6.

21 h. Submit a schedule showing any deferred income and consultant fee to corporate officers or employees.

Response: No consultant fees to corporate officers or employees are being claimed in this rate proceeding. Please see Table 21.h below for deferred income included in the historic test year.

Table 21 h.			
Company	No. of Employees/ Officers ^{1/}	Total Deferred Income	CPA's Portion of Deferred Income
NCSC	7	\$887,931	\$123,194
Columbia	1	\$51,130	\$51,130

^{1/} Eight Employees/Officers participated in the historical test year.

Columbia Gas of Pennsylvania employees participate in NiSource and Columbia Energy Group Pension Plans. Copies of both actuarial reports are attached.

Actuarial Valuation Report

NiSource Inc.

Columbia Energy Group Pension Plan

Accounting Information Under ASC Topic 715

As of December 31, 2012

Introduction

This report documents the results of the December 31, 2012 actuarial valuation of the Columbia Energy Group Pension Plan for the plan sponsor and for NiSource Inc. The information provided in this report is intended strictly for documenting:

- Pension cost for the 2013 fiscal year
- Information relating to company disclosure and reporting requirements

Determinations for purposes other than the financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and/or its audit partners prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due (but not limited to) to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in actuarial methods or in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by NiSource Inc. as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. Each significant assumption used in this actuarial valuation represents, in our opinion, a reasonable expectation of anticipated experience under the plan.

The undersigned are familiar with the near-term and long-term aspects of pension valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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April, 2014

¹ Aon Consulting, Inc. and Hewitt Associates LLC are operating as Aon Hewitt.

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Accounting Requirements

Fair Value of Assets

Fair Value of Assets, January 1, 2012	\$ 819,930,510
Cash Contributions, Year Ended December 31, 2012	0
Benefit Payments, Year Ended December 31, 2012	(80,233,174)
Investment Return, Net of Expenses, Year Ended December 31, 2012	<u>102,358,333</u>
Fair Value of Assets, December 31, 2012	\$ 842,055,669

ASC 715 Pension Cost/(Income)

	Fiscal 2012	Fiscal 2013 ¹
Service Cost	\$ 17,464,086	\$ 15,033,175
Interest Cost	\$ 41,791,173	\$ 36,661,584
Expected Return on Assets	\$ (64,754,982)	\$ (63,904,136)
Amortization of:		
Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost	(2,719,913)	(2,719,913)
Net (Gain)/Loss	<u>31,672,130</u>	<u>30,898,827</u>
Total	\$ 28,952,217	\$ 28,178,914
Net Periodic Pension Cost/(Income)	\$ 23,452,494	\$ 15,969,537
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>30,843,667</u>
Total Cost/(Income)	\$ 23,452,494	\$ 46,813,204
Key Assumptions		
Discount Rate	4.60%	3.36% ²
Expected Long-Term Rate of Return	8.30%	8.30%
Additional Information		
Assumed Expenses in Service Cost (if \$0, Rate of Return is Assumed Net of Expenses)		\$ 0
Expected Benefit Payments		\$ 87,450,000
Expected Contributions		\$ 0
Market-Related Value of Assets		\$ 842,055,669
Average Remaining Service		10.03 years

¹ Reflects remeasurements on February 28, 2013, May 31, 2013 and August 31, 2013 as a result of settlement events.

² 3.50% as of February 28, 2013, 3.75% as of May 31, 2013 and 4.25% as of August 31, 2013.

Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2011	Disclosed December 31, 2012
Accumulated Benefit Obligation	\$ (934,096,172)	\$ (1,082,022,870)
Projected Benefit Obligation	\$ (948,253,757)	\$ (1,082,022,870)
Fair Value of Assets	<u>819,930,510</u>	<u>842,055,669</u>
Funded Status	\$ (128,323,247)	\$ (239,967,201)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	0	0
Prior Service Cost	(19,592,090)	(16,872,177)
Net (Gain)/Loss	<u>396,027,334</u>	<u>481,498,881</u>
Asset/(Liability) Recognized in Retained Earnings	\$ 248,111,997	\$ 224,659,503
Accumulated Other Comprehensive Income	\$ 376,435,244	\$ 464,626,704
Recognized Asset/(Liability)	\$ (128,323,247)	\$ (239,967,201)

Asset/(Liability) Recognized in Retained Earnings

	Fiscal 2012
Asset/(Liability) Recognized in Retained Earnings, January 1, 2012	\$ 248,111,997
Fiscal 2012 Pension (Cost)/Income	(23,452,494)
Contributions During Fiscal 2012	<u>0</u>
Asset/(Liability) Recognized in Retained Earnings, January 1, 2013	\$ 224,659,503

ASC 715 Amortization of Net (Gain)/Loss

ASC 715-30-35-24 describes a minimum amortization requirement for net gains and losses that reflects a corridor based on 10% of the greater of the projected benefit obligation or the market-related value of assets. The following presents the calculation of the portion, if any, of net gain or loss that was included in the net periodic pension expense/(income).

	January 1, 2013 ¹
Unamortized Net (Gain)/Loss	\$ 481,498,881
Fair Value of Plan Assets	842,055,669
Market-Related Value of Assets (MRVA)	<u>(842,055,669)</u>
Net (Gain)/Loss Subject to Corridor	\$ 481,498,881
Projected Benefit Obligation (PBO)	\$ 1,082,022,870
(Gain)/Loss Corridor, 10% of Greater of PBO or MRVA	\$ 108,202,287
Net (Gain)/Loss Subject to Amortization	\$ 373,296,594
Average Remaining Service	10.03 Years
Amortization of Net (Gain)/Loss	\$ 37,218,005

¹ Actual amount amortized in 2013 expense reflects subsequent remeasurements on February 28, 2013, May 31, 2013 and August 31, 2013 as a result of settlement events.

Schedule of Other ASC 715 Amortization Amounts

The following table summarizes the amortization schedule for the Prior Service Cost.

Schedule of Amortization Amounts

Source of Liability	Date Began Amortization	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
Amendment	10/1/2005	\$ (1,741,596)	5.75	\$ (10,014,174)
Amendment	1/1/2008	(978,382)	7.01	(6,858,455)
Amendment	1/1/2008	65	7.01	452
Total		\$ (2,719,913)		\$ (16,872,177)

ASC 715 Disclosure

This disclosure is presented in the format described in ASC 715-20.

	Fiscal 2011	Fiscal 2012
Accumulated Benefit Obligation, End of Year	\$ 934,096,172	\$ 1,082,022,870
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 935,141,869	\$ 948,253,757
Service Cost	17,557,966	17,464,086
Interest Cost	45,185,843	41,791,173
Plan Amendments	0	0
Actuarial (Gain)/Loss	35,440,592	154,747,028
Plan Participant Contributions	0	0
Actual Benefits Paid	(85,072,513)	(80,233,174)
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 948,253,757	\$ 1,082,022,870
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 705,222,044	\$ 819,930,510
Actual Return on Plan Assets	(4,019,021)	102,358,333
Employer Contributions	203,800,000	0
Plan Participant Contributions	0	0
Actual Benefits Paid	(85,072,513)	(80,233,174)
Fair Value of Plan Assets, End of Year	\$ 819,930,510	\$ 842,055,669
Funded Status of the Plan	\$ (128,323,247)	\$ (239,967,201)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(128,323,247)	(239,967,201)
Net Asset/(Liability) at End of Year	\$ (128,323,247)	\$ (239,967,201)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost/(Credit)	(19,592,090)	(16,872,177)
Net Actuarial (Gain)/Loss	396,027,334	481,498,881
Total	\$ 376,435,244	\$ 464,626,704

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Components of Net Periodic Benefit Cost		
Service Cost	\$ 17,557,966	\$ 17,464,086
Interest Cost	45,185,843	41,791,173
Expected Return on Assets	(64,160,939)	(64,754,982)
Amortization of:		
Transition (Asset)/Obligation	0	0
Prior Service Cost/(Credit)	(2,719,913)	(2,719,913)
Net (Gain)/Loss	<u>19,442,091</u>	<u>31,672,130</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 15,305,048	\$ 23,452,494
Settlement/Curtailment Expense/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Expense/(Income)	\$ 15,305,048	\$ 23,452,494
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income		
Net Actuarial (Gain)/Loss	\$ 103,620,552	\$ 117,143,677
Prior Service Cost/(Credit)	0	0
Amortization of:		
Transition (Asset)/Obligation	0	0
Prior Service Cost/(Credit)	2,719,913	2,719,913
Actuarial (Gain)/Loss	<u>(19,442,091)</u>	<u>(31,672,130)</u>
Total Recognized in Other Comprehensive Income	\$ 86,898,374	\$ 88,191,460

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the following fiscal year are as follows:

Net Transition (Asset)/Obligation	\$ 0
Prior Service Cost/(Credit)	\$ (2,719,913)
Net Actuarial (Gain)/Loss	\$ 37,218,005

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.60%	3.36%
Rate of Compensation Increase	4.00%	4.00%
Measurement Date	December 31, 2011	December 31, 2012
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	5.00%	4.60%
Expected Long-Term Rate of Return	8.75%	8.30%
Rate of Compensation Increase	4.00%	4.00%
Estimated Future Benefit Payments		
2012 (2013) Payouts	\$ 79,500,000	\$ 87,450,000
2013 (2014) Payouts	\$ 83,050,000	\$ 89,950,000
2014 (2015) Payouts	\$ 88,100,000	\$ 91,200,000
2015 (2016) Payouts	\$ 87,500,000	\$ 99,450,000
2016 (2017) Payouts	\$ 99,950,000	\$ 101,450,000
2017 (2018) Payouts to 2021 (2022)	\$ 462,550,000	\$ 473,200,000
Expected Fiscal Year 2012 (2013) Contributions	\$ 0	\$ 0

Alternative Amortization Method

As permitted under ASC 715-30-35-13, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2012. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

	January 1, 2011	January 1, 2012
Active Participants		
Number	3,761	3,834
Average Age	48.5	48.4
Average Service	20.2	19.9
Average Pay	\$ 70,162	\$ 71,235
Total Payroll	\$ 263,879,086	\$ 273,116,389
Inactives With Deferred Benefits		
Number	2,855	2,681
Average Current Age	51.7	52.3
Average Monthly Benefit ¹	\$ 598	\$ 581
Inactives Receiving Payment		
Number	3,766	3,633
Average Current Age	77.8	78.0
Average Monthly Benefit	\$ 745	\$ 759
Total Participants		
Number	10,382	10,148

¹ After adjustment for assumed retirement age and payment form

Actuarial Assumptions and Methods

For ASC 715 Requirements

Measurement date	December 31
Discount rate	
NiSource	3.83%
Columbia	3.36%
Bay State Nonunion	3.33%
Bay State Union	3.60%
Subsidiary	3.50%
Kokomo Union	4.03%
Expected long-term rate of return on assets	8.30%
Expected rate of future compensation increases	See Table 1
Account balance interest crediting rate	4.00%
Account balance annuity conversion rate	2.88% for January 1, 2013 conversions 4.00% for future conversions
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	3.00%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	3.00%
Optional payment form election percentage	See Table 2
Lump sum conversion interest rate	4.00%
Lump sum conversion mortality	Mortality basis in IRS revenue ruling 2001-62
Retirement age	
Active participants	
NiSource, Subsidiary & Kokomo Union Plans	See Table 3
Columbia Plan	See Table 4
Bay State Nonunion & Bay State Union Plans	See Table 5
Terminated vested participants	
Final average pay participants	Age 60
Account balance participants	50% immediate; 50% deferred to age 62

For ASC 715 Requirements

Mortality rates

Healthy lives

RP-2000 combined healthy fully generational
mortality table using Scale AA

Disabled lives

RP-2000 disabled mortality table

Withdrawal rates

Nonunion participants

See Table 6

Union participants

See Table 7

Disability rates

See Table 8

Surviving spouse benefit

It is assumed that 80% of males and 80% of females
have an eligible spouse, and that males are 3 years
older than their spouses.

Benefit and compensation limits

Projected benefits and compensation are limited by
the current IRC section 415 maximum benefit of
\$200,000 and the 401(a)(17) compensation limit of
\$250,000.

Actuarial cost method

Projected unit credit cost method

Market-related value of assets

Equal to the market value of assets on December 31

Amortization schedule

Prior service cost

Amortization over average remaining service

Unrecognized net (gains)/losses

Gains or losses in excess of 10% corridor are
amortized over average remaining service.

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation does not reflect any method changes.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate from 4.60% to 3.36%.
- A change in the cash balance interest crediting rate from 4.50% to 4.00%.
- A change in the lump sum conversion interest rate from 4.50% to 4.00%.
- A change in retirement rates for final average pay participants to better reflect the experience.
- A change in termination rates for both Union and Nonunion participants to better reflect plan experience.
- A change in the opening balance rate from 4.50% for January 1, 2013 conversions and 4.50% for future conversions to 2.88% for January 1, 2013 conversions and 4.00% or future conversions.

Actuarial Assumptions and Methods

Table 1
Salary Merit Increase Rates

Age	Rate
20-29	6.50%
30-34	5.00%
35-39	4.50%
40-49	4.00%
50+	3.50%

Table 2
Optional Payment Form Election Percentage

Plan	Final average pay participants	Account balance participants
NiSource	Nonunion: 50% life annuity 50% joint and 50% survivor annuity Union: 50% life annuity 50% joint and 50% survivor annuity with pop-up	100% lump sum
Columbia	20% life annuity 80% lump sum	100% lump sum
Bay State Nonunion, Bay State Union and Kokomo Union plans	30% life annuity 70% lump sum	100% lump sum
Subsidiary	50% life annuity 50% joint and 50% survivor annuity	100% lump sum

Table 3

Retirement Rates—NiSource, Subsidiary and Kokomo Union Plans

Age	Final Average Pay Participants ¹ and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	10.00%	10.00%	2.00%
56	10.00%	10.00%	2.00%
57	10.00%	10.00%	2.00%
58	10.00%	10.00%	2.00%
59	10.00%	10.00%	2.00%
60	10.00%	40.00%	5.00%
61	10.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66	50.00%	50.00%	100.00%
67	50.00%	50.00%	100.00%
68	50.00%	50.00%	100.00%
69	50.00%	50.00%	100.00%
70+	100.00%	100.00%	100.00%

¹ NiSource union participants who are under age 60 and who have greater than 85 points have assumed retirement rates of 15.00% per year.

Table 4
Retirement Rates—Columbia Plan

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95	Account Balance Participants Hired After 1/1/95
55	15.00%	2.00%
56	7.00%	2.00%
57	7.00%	2.00%
58	10.00%	2.00%
59	10.00%	2.00%
60	20.00%	5.00%
61	20.00%	5.00%
62	20.00%	25.00%
63	20.00%	10.00%
64	30.00%	10.00%
65	50.00%	50.00%
66	35.00%	100.00%
67	35.00%	100.00%
68	35.00%	100.00%
69+	100.00%	100.00%

Table 5
Retirement Rates—Bay State Nonunion and Bay State Union Plans

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	2.00%	5.00%	2.00%
56	2.00%	5.00%	2.00%
57	2.00%	5.00%	2.00%
58	2.00%	5.00%	2.00%
59	2.00%	5.00%	2.00%
60	5.00%	30.00%	5.00%
61	5.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66+	100.00%	100.00%	100.00%

Table 6
Withdrawal Rates – Nonunion Participants

Age	Years of Service			
	0	1	2	3+
≤28	12.00%	10.00%	8.00%	12.00%
29	12.00%	10.00%	8.00%	11.50%
30	12.00%	10.00%	8.00%	10.80%
31	12.00%	10.00%	8.00%	10.20%
32	12.00%	10.00%	8.00%	9.60%
33	12.00%	10.00%	8.00%	9.00%
34	12.00%	10.00%	8.00%	8.50%
35	12.00%	10.00%	8.00%	7.90%
36	12.00%	10.00%	8.00%	7.40%
37	12.00%	10.00%	8.00%	6.90%
38	12.00%	10.00%	8.00%	6.50%
39	12.00%	10.00%	8.00%	6.00%
40	12.00%	10.00%	8.00%	5.60%
41	12.00%	10.00%	8.00%	5.20%
42	12.00%	10.00%	8.00%	4.90%
43	12.00%	10.00%	8.00%	4.50%
44	12.00%	10.00%	8.00%	4.20%
45	12.00%	10.00%	8.00%	3.90%
46	12.00%	10.00%	8.00%	3.60%
47	12.00%	10.00%	8.00%	3.40%
48	12.00%	10.00%	8.00%	3.10%
49	12.00%	10.00%	8.00%	2.90%
50	12.00%	10.00%	8.00%	2.70%
51	12.00%	10.00%	8.00%	2.60%
52	12.00%	10.00%	8.00%	2.40%
53	12.00%	10.00%	8.00%	2.30%
54	12.00%	10.00%	8.00%	2.20%
55	12.00%	10.00%	8.00%	2.20%
56	12.00%	10.00%	8.00%	2.10%
57	12.00%	10.00%	8.00%	2.10%
58	12.00%	10.00%	8.00%	2.00%
59	12.00%	10.00%	8.00%	2.00%
60	12.00%	10.00%	8.00%	1.90%
61	12.00%	10.00%	8.00%	1.90%
62	12.00%	10.00%	8.00%	1.80%
63	12.00%	10.00%	8.00%	1.70%
64	12.00%	10.00%	8.00%	1.60%
65+	12.00%	10.00%	8.00%	1.50%

Table 7
Withdrawal Rates – Union Participants

Age	Years of Service			
	0	1	2	3+
<21	9.60%	9.60%	9.60%	9.60%
22	9.00%	9.00%	9.00%	9.00%
23	8.60%	8.60%	8.60%	8.60%
24	8.00%	8.00%	8.00%	8.00%
25	8.00%	7.60%	7.60%	7.60%
26	8.00%	7.20%	7.20%	7.20%
27	8.00%	6.60%	6.60%	6.60%
28	8.00%	6.20%	6.20%	6.20%
29	8.00%	6.00%	5.80%	5.80%
30	8.00%	6.00%	5.60%	5.60%
31	8.00%	6.00%	5.20%	5.20%
32	8.00%	6.00%	5.00%	4.80%
33	8.00%	6.00%	5.00%	4.40%
34	8.00%	6.00%	5.00%	4.20%
35	8.00%	6.00%	5.00%	3.80%
36	8.00%	6.00%	5.00%	3.60%
37	8.00%	6.00%	5.00%	3.40%
38	8.00%	6.00%	5.00%	3.20%
39	8.00%	6.00%	5.00%	3.00%
40	8.00%	6.00%	5.00%	2.80%
41	8.00%	6.00%	5.00%	2.60%
42	8.00%	6.00%	5.00%	2.40%
43	8.00%	6.00%	5.00%	2.40%
44	8.00%	6.00%	5.00%	2.20%
45	8.00%	6.00%	5.00%	2.20%
46	8.00%	6.00%	5.00%	2.00%
47	8.00%	6.00%	5.00%	2.00%
48	8.00%	6.00%	5.00%	2.00%
49	8.00%	6.00%	5.00%	2.00%
50	8.00%	6.00%	5.00%	2.00%
51	8.00%	6.00%	5.00%	2.00%
52	8.00%	6.00%	5.00%	2.00%
53	8.00%	6.00%	5.00%	2.00%
54	8.00%	6.00%	5.00%	2.00%
55	8.00%	6.00%	5.00%	2.00%
56	8.00%	6.00%	5.00%	2.00%
57	8.00%	6.00%	5.00%	2.00%
58	8.00%	6.00%	5.00%	2.00%
59	8.00%	6.00%	5.00%	2.00%
60	8.00%	6.00%	5.00%	2.00%
61	8.00%	6.00%	5.00%	2.00%
62	8.00%	6.00%	5.00%	2.00%
63	8.00%	6.00%	5.00%	2.00%
64	8.00%	6.00%	5.00%	2.00%
65+	8.00%	6.00%	5.00%	2.00%

Table 8
Disability Rates

Age	Male	Female	Age	Male	Female
20	0.052%	0.052%	50	0.413%	0.575%
21	0.053%	0.056%	51	0.463%	0.613%
22	0.054%	0.060%	52	0.513%	0.650%
23	0.055%	0.064%	53	0.563%	0.700%
24	0.056%	0.067%	54	0.625%	0.738%
25	0.057%	0.071%	55	0.688%	0.783%
26	0.058%	0.075%	56	0.762%	0.825%
27	0.059%	0.075%	57	0.856%	0.875%
28	0.060%	0.081%	58	0.975%	0.950%
29	0.061%	0.083%	59	1.075%	1.050%
30	0.062%	0.087%	60	1.175%	1.150%
31	0.064%	0.092%	61	1.325%	1.275%
32	0.065%	0.113%	62	1.500%	1.450%
33	0.067%	0.125%	63	1.665%	1.625%
34	0.069%	0.142%	64+	1.725%	1.725%
35	0.071%	0.158%			
36	0.073%	0.175%			
37	0.078%	0.194%			
38	0.083%	0.217%			
39	0.092%	0.238%			
40	0.100%	0.263%			
41	0.116%	0.283%			
42	0.131%	0.313%			
43	0.145%	0.338%			
44	0.170%	0.367%			
45	0.200%	0.400%			
46	0.244%	0.431%			
47	0.280%	0.463%			
48	0.325%	0.496%			
49	0.363%	0.533%			

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource Inc. selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and projected benefit obligation for determining pension expense is the projected unit credit cost method. Under this method, benefits are estimated at each decrement age by crediting future accruals based on projected pay as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information Under ASC 715

Benefit obligations and expense/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated benefit obligation represents the actuarial present value of benefits based on service and pay earned as of the measurement date. The projected benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost represents the actuarial present value of benefits that are attributed to the 2013 fiscal year, reflecting the effect of assumed future pay increases. The service cost includes interest to the end of the measurement period at the ASC 715 discount rate.

The net periodic pension expense/(income) is the annual amount to be recognized in the income statement as the cost of pension benefits for this plan for the period ending December 31, 2013.

Settlement/curtailment expense/(income) is the amount to be recognized in the income statement as the cost of special events such as settlements, curtailments, and the provision of certain termination benefits during fiscal 2013.

Plan Provisions

Effective date

January 1, 1943, restated effective January 1, 2013

Eligibility for participation

Exempt employees hired on or after January 1, 2010 and nonexempt employees hired on or after January 1, 2013 are not eligible for pension benefits. All other employees of the Columbia Energy Group are eligible. Eligible employees participate on their date of hire.

Benefit Formula Eligibility
Exempt participants

Employees hired prior to January 1, 2000 received the final average pay benefit. Effective January 1, 2000, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2000 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.

Nonexempt participants

Employees hired prior to January 1, 2000 received the final average pay benefit. Effective January 1, 2000 (January 1, 2004 for some union participants), the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2000 (January 1, 2004 for some union participants) and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Normal retirement

Eligibility

Later of Social Security normal retirement age and fifth anniversary of participation

Benefit

Final average pay benefit

The sum of (a), (b), and (c):

- (a) 1.15% of final three-year average compensation up to one-half of the Social Security wage base times years of credited service (maximum 30 years)
- (b) 1.50% of final three-year average compensation in excess of one-half of the Social Security wage base times years of credited service (maximum 30 years)
- (c) 0.50% of final three-year average compensation times years of credited service over 30 (maximum 10 years)

Account Balance I benefit

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II benefit

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior benefits are guaranteed as minimum benefits.

**Early retirement
Eligibility**

Age 55 and 10 years of service, or age 60 and 5 years of service

Benefit

Final average pay benefit

A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin more than three years prior to Social Security normal retirement age, the payments are reduced by 3% per year.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit

Final average pay benefit participants who retire before age 62 receive a temporary supplemental benefit of \$5,760 per year until age 62, reduced pro rata for service less than 30 years.

Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors.
Account balance benefit	The participant is always entitled to their vested cash balance at termination or retirement.
Disability	
Eligibility	Qualification for benefits under the employer's long-term disability plan
Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	75% of normal retirement benefit as of the participant's date of death, reduced by .25% for each full month in excess of 60 months by which the participant's age exceeded the spouse's age. If no surviving spouse, payment divided among surviving children under age 21.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal-beneficiaries may elect to receive as a lump sum.).

Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity actuarially equivalent to the retirement benefit payable for employee's lifetime. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. If the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	Life annuity; 100%, 75%, 66 2/3%, 50% pop-up, or 33 1/3% joint and survivor annuity; lump sum. Account balance participants may also select a 5 or 10 year certain and life annuity.
Actuarial equivalence	
Mortality	1983 Group Annuity Mortality Table, set back one year for participants and five years for beneficiaries
Interest	8% per year
Definitions	
Service	Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.
Compensation	
Final average pay participants	Base pay or wages, including commissions, before any reductions under IRC sections 125 and 401(k), excluding overtime, performance-based pay, and other exclusions specified in the plan document, but including banked vacation and lump sum merit pay. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).
Account balance participants	For purposes of determining a participant's pay credits, compensation also includes performance-based pay.
Three-year average compensation	Highest average annual compensation for any 36 months during the last 60 months of service

Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes:

- A change in 401(a)(17) maximum pay limit from \$245,000 to \$250,000.
- A change in the 415 maximum benefit limit from \$195,000 to \$200,000.

Actuarial Valuation Report

NiSource Inc.

NiSource Pension Plan

Accounting Information Under ASC Topic 715

As of December 31, 2012

Introduction

This report documents the results of the December 31, 2012 actuarial valuation of the NiSource Pension Plan for the plan sponsor and for NiSource Inc. The information provided in this report is intended strictly for documenting:

- Pension cost for the 2013 fiscal year
- Information relating to company disclosure and reporting requirements

Determinations for purposes other than the financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and/or its audit partners prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due (but not limited to) to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in actuarial methods or in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by NiSource Inc. as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

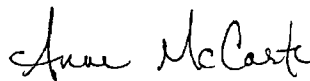
The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. Each significant assumption used in this actuarial valuation represents, in our opinion, a reasonable expectation of anticipated experience under the plan.

The undersigned are familiar with the near-term and long-term aspects of pension valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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April, 2014

¹ Aon Consulting, Inc. and Hewitt Associates LLC are operating as Aon Hewitt.

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Accounting Requirements

Fair Value of Assets

Fair Value of Assets, January 1, 2012 ¹	\$ 1,174,812,524
Cash Contributions, Year Ended December 31, 2012	810,000
Benefit Payments, Year Ended December 31, 2012	(97,910,821)
Investment Return, Net of Expenses, Year Ended December 31, 2012	<u>147,831,701</u>
Fair Value of Assets, December 31, 2012	\$ 1,225,543,404

¹ The Subsidiary Pension Plan and Kokomo Union Pension Plan were merged into the NiSource Pension Plan on December 31, 2012. Prior year values shown throughout the report reflect the sum of the history for all three plans.

ASC 715 Pension Cost/(Income)

	Fiscal 2012	Fiscal 2013
Service Cost	\$ 16,459,707	\$ 17,956,731
Interest Cost	\$ 64,320,194	\$ 56,270,394
Expected Return on Assets	\$ (92,582,975)	\$ (96,517,663)
Amortization of:		
Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost	2,013,695	2,013,695
Net (Gain)/Loss	<u>44,602,267</u>	<u>41,046,678</u>
Total	\$ 46,615,962	\$ 43,060,373
Net Periodic Pension Cost/(Income)	\$ 34,812,888	\$ 20,769,835
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 34,812,888	\$ 20,769,835
Key Assumptions		
Discount Rate	4.60%	3.83%
Expected Long-Term Rate of Return	8.30%	8.30%
Additional Information		
Assumed Expenses in Service Cost (if \$0, Rate of Return is Assumed Net of Expenses)		\$ 0
Expected Benefit Payments		\$ 125,800,000
Expected Contributions		\$ 240,000
Market-Related Value of Assets		\$ 1,225,543,404
Average Remaining Service		11.84 years

Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2011	Disclosed December 31, 2012
Accumulated Benefit Obligation	\$ (1,438,073,713)	\$ (1,513,310,890)
Projected Benefit Obligation	\$ (1,457,620,080)	\$ (1,532,100,902)
Fair Value of Assets	<u>1,174,812,524</u>	<u>1,225,543,404</u>
Funded Status	\$ (282,807,556)	\$ (306,557,498)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	0	0
Prior Service Cost	8,340,629	6,326,934
Net (Gain)/Loss	<u>647,442,014</u>	<u>639,202,763</u>
Asset/(Liability) Recognized in Retained Earnings	\$ 372,975,087	\$ 338,972,199
Accumulated Other Comprehensive Income	\$ 655,782,643	\$ 645,529,697
Recognized Asset/(Liability)	\$ (282,807,556)	\$ (306,557,498)

Asset/(Liability) Recognized in Retained Earnings

	Fiscal 2012
Asset/(Liability) Recognized in Retained Earnings, January 1, 2012	\$ 372,975,087
Fiscal 2012 Pension (Cost)/Income	(34,812,888)
Contributions During Fiscal 2012	<u>810,000</u>
Asset/(Liability) Recognized in Retained Earnings, January 1, 2013	\$ 338,972,199

ASC 715 Amortization of Net (Gain)/Loss

ASC 715-30-35-24 describes a minimum amortization requirement for net gains and losses that reflects a corridor based on 10% of the greater of the projected benefit obligation or the market-related value of assets. The following presents the calculation of the portion, if any, of net gain or loss that was included in the net periodic pension expense/(income).

	January 1, 2013
Unamortized Net (Gain)/Loss	\$ 639,202,763
Fair Value of Plan Assets	1,225,543,404
Market-Related Value of Assets (MRVA)	<u>(1,225,543,404)</u>
Net (Gain)/Loss Subject to Corridor	\$ 639,202,763
Projected Benefit Obligation (PBO)	\$ 1,532,100,902
(Gain)/Loss Corridor, 10% of Greater of PBO or MRVA	\$ 153,210,090
Net (Gain)/Loss Subject to Amortization	\$ 485,992,673
Average Remaining Service	11.84 Years
Amortization of Net (Gain)/Loss	\$ 41,046,678

Schedule of Other ASC 715 Amortization Amounts

The following table summarizes the amortization schedule for the Prior Service Cost.

Schedule of Amortization Amounts

Source of Liability	Date Began Amortization	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
NiSource Amendment	10/1/2003	\$ 126,929	1.75	\$ 222,120
NiSource Amendment	10/1/2003	455,537	1.75	797,197
Subsidiary Amendment	10/1/2003	2,297	2.75	6,314
NiSource Amendment	10/1/2004	906,796	2.75	2,493,693
NiSource Amendment	10/1/2005	297,819	3.75	1,116,817
NiSource Amendment	10/1/2006	29,585	4.75	140,533
Subsidiary Amendment	10/1/2006	149	5.78	862
NiSource Amendment	1/1/2008	3,776	5.58	21,069
Subsidiary Amendment	1/1/2008	4,969	6.53	32,446
NiSource Amendment	1/1/2010	176,684	7.95	1,404,643
Kokomo Union Amendment	1/1/2010	34	9.15	309
Subsidiary Amendment	1/1/2012	9,120	9.97	90,931
Total		\$ 2,013,695		\$ 6,326,934

ASC 715 Disclosure

This disclosure is presented in the format described in ASC 715-20.

	Fiscal 2011	Fiscal 2012
Accumulated Benefit Obligation, End of Year	\$ 1,438,073,713	\$ 1,513,310,890
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 1,395,005,941	\$ 1,457,620,080
Service Cost	16,319,841	16,459,707
Interest Cost	67,212,797	64,320,194
Plan Amendments	100,051	0
Actuarial (Gain)/Loss	79,063,850	91,611,742
Plan Participant Contributions	0	0
Actual Benefits Paid	(100,082,400)	(97,910,821)
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 1,457,620,080	\$ 1,532,100,902
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 1,116,479,236	\$ 1,174,812,524
Actual Return on Plan Assets	(3,804,312)	147,831,701
Employer Contributions	162,220,000	810,000
Plan Participant Contributions	0	0
Actual Benefits Paid	(100,082,400)	(97,910,821)
Fair Value of Plan Assets, End of Year	\$ 1,174,812,524	\$ 1,225,543,404
Funded Status of the Plan	\$ (282,807,556)	\$ (306,557,498)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(282,807,556)	(306,557,498)
Net Asset/(Liability) at End of Year	\$ (282,807,556)	\$ (306,557,498)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost/(Credit)	8,340,629	6,326,934
Net Actuarial (Gain)/Loss	647,442,014	639,202,763
Total	\$ 655,782,643	\$ 645,529,697

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Components of Net Periodic Benefit Cost		
Service Cost	\$ 16,319,841	\$ 16,459,707
Interest Cost	67,212,797	64,320,194
Expected Return on Assets	(95,715,162)	(92,582,975)
Amortization of:		
Transition (Asset)/Obligation	0	0
Prior Service Cost/(Credit)	2,008,624	2,013,695
Net (Gain)/Loss	<u>32,588,929</u>	<u>44,602,267</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 22,415,029	\$ 34,812,888
Settlement/Curtailment Expense/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Expense/(Income)	\$ 22,415,029	\$ 34,812,888
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income		
Net Actuarial (Gain)/Loss	\$ 178,583,324	\$ 36,363,016
Prior Service Cost/(Credit)	100,051	0
Amortization of:		
Transition (Asset)/Obligation	0	0
Prior Service Cost/(Credit)	(2,008,624)	(2,013,695)
Actuarial (Gain)/Loss	<u>(32,588,929)</u>	<u>(44,602,267)</u>
Total Recognized in Other Comprehensive Income	\$ 144,085,822	\$ (10,252,946)

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the following fiscal year are as follows:

Net Transition (Asset)/Obligation	\$ 0
Prior Service Cost/(Credit)	\$ 2,013,695
Net Actuarial (Gain)/Loss	\$ 41,046,678

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.60%	3.83%
Rate of Compensation Increase	4.00%	4.00%
Measurement Date	December 31, 2011	December 31, 2012
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	5.00%	4.60%
Expected Long-Term Rate of Return	8.75%	8.30%
Rate of Compensation Increase	4.00%	4.00%
Estimated Future Benefit Payments		
2012 (2013) Payouts	\$ 118,710,000	\$ 125,800,000
2013 (2014) Payouts	\$ 122,100,000	\$ 124,450,000
2014 (2015) Payouts	\$ 121,000,000	\$ 118,400,000
2015 (2016) Payouts	\$ 116,140,000	\$ 117,750,000
2016 (2017) Payouts	\$ 116,450,000	\$ 114,600,000
2017 (2018) Payouts to 2021 (2022)	\$ 533,650,000	\$ 507,800,000
Expected Fiscal Year 2012 (2013) Contributions	\$ 0	\$ 240,000

Alternative Amortization Method

As permitted under ASC 715-30-35-13, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.

Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2012. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

	January 1, 2011	January 1, 2012
Active Participants		
Number	3,306	3,312
Average Age	46.2	46.1
Average Service	15.9	15.6
Average Pay	\$ 78,027	\$ 83,052
Total Payroll	\$ 257,957,095	\$ 275,065,908
Inactives With Deferred Benefits		
Number	839	854
Average Current Age	53.2	53.2
Average Monthly Benefit ¹	\$ 747	\$ 716
Inactives Receiving Payment		
Number	4,171	4,208
Average Current Age	71.5	71.8
Average Monthly Benefit	\$ 1,548	\$ 1,552
Total Participants		
Number	8,316	8,374

¹ After adjustment for assumed retirement age and payment form

Actuarial Assumptions and Methods

For ASC 715 Requirements

Measurement date	December 31
Discount rate	
NiSource	3.83%
Columbia	3.36%
Bay State Nonunion	3.33%
Bay State Union	3.60%
Subsidiary	3.50%
Kokomo Union	4.03%
Expected long-term rate of return on assets	8.30%
Expected rate of future compensation increases	See Table 1
Account balance interest crediting rate	4.00%
Account balance annuity conversion rate	2.88% for January 1, 2013 conversions 4.00% for future conversions
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	3.00%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	3.00%
Optional payment form election percentage	See Table 2
Lump sum conversion interest rate	4.00%
Lump sum conversion mortality	Mortality basis in IRS revenue ruling 2001-62
Retirement age	
Active participants	
NiSource, Subsidiary & Kokomo Union Plans	See Table 3
Columbia Plan	See Table 4
Bay State Nonunion & Bay State Union Plans	See Table 5
Terminated vested participants	
Final average pay participants	Age 60
Account balance participants	50% immediate; 50% deferred to age 62

For ASC 715 Requirements

Mortality rates

Healthy lives

RP-2000 combined healthy fully generational
mortality table using Scale AA

Disabled lives

RP-2000 disabled mortality table

Withdrawal rates

Nonunion participants

See Table 6

Union participants

See Table 7

Disability rates

See Table 8

Surviving spouse benefit

It is assumed that 80% of males and 80% of females
have an eligible spouse, and that males are 3 years
older than their spouses.

Benefit and compensation limits

Projected benefits and compensation are limited by
the current IRC section 415 maximum benefit of
\$200,000 and the 401(a)(17) compensation limit of
\$250,000.

Actuarial cost method

Projected unit credit cost method

Market-related value of assets

Equal to the market value of assets on December 31

Amortization schedule

Prior service cost

Amortization over average remaining service

Unrecognized net (gains)/losses

Gains or losses in excess of 10% corridor are
amortized over average remaining service.

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation does not reflect any method changes.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate from 4.60% to 3.83%.
- A change in the cash balance interest crediting rate from 4.50% to 4.00%.
- A change in the lump sum conversion interest rate from 4.50% to 4.00%.
- A change in retirement rates for final average pay participants to better reflect the experience.
- A change in termination rates for both Union and Nonunion participants to better reflect plan experience.
- A change in the opening balance rate from 4.50% for January 1, 2013 conversions and 4.50% for future conversions to 2.88% for January 1, 2013 conversions and 4.00% for future conversions.

Actuarial Assumptions and Methods

Table 1

Salary Merit Increase Rates

Age	Rate
20-29	6.50%
30-34	5.00%
35-39	4.50%
40-49	4.00%
50+	3.50%

Table 2

Optional Payment Form Election Percentage

Plan	Final average pay participants	Account balance participants
NiSource	Nonunion: 50% life annuity 50% joint and 50% survivor annuity Union: 50% life annuity 50% joint and 50% survivor annuity with pop-up	100% lump sum
Columbia	20% life annuity 80% lump sum	100% lump sum
Bay State Nonunion, Bay State Union and Kokomo Union plans	30% life annuity 70% lump sum	100% lump sum
Subsidiary	50% life annuity 50% joint and 50% survivor annuity	100% lump sum

Table 3
Retirement Rates—NiSource, Subsidiary and Kokomo Union Plans

Age	Final Average Pay Participants ¹ and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	10.00%	10.00%	2.00%
56	10.00%	10.00%	2.00%
57	10.00%	10.00%	2.00%
58	10.00%	10.00%	2.00%
59	10.00%	10.00%	2.00%
60	10.00%	40.00%	5.00%
61	10.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66	50.00%	50.00%	100.00%
67	50.00%	50.00%	100.00%
68	50.00%	50.00%	100.00%
69	50.00%	50.00%	100.00%
70+	100.00%	100.00%	100.00%

¹ NiSource union participants who are under age 60 and who have greater than 85 points have assumed retirement rates of 15.00% per year.

Table 4
Retirement Rates—Columbia Plan

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95	Account Balance Participants Hired After 1/1/95
55	15.00%	2.00%
56	7.00%	2.00%
57	7.00%	2.00%
58	10.00%	2.00%
59	10.00%	2.00%
60	20.00%	5.00%
61	20.00%	5.00%
62	20.00%	25.00%
63	20.00%	10.00%
64	30.00%	10.00%
65	50.00%	50.00%
66	35.00%	100.00%
67	35.00%	100.00%
68	35.00%	100.00%
69+	100.00%	100.00%

Table 5
Retirement Rates—Bay State Nonunion and Bay State Union Plans

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	2.00%	5.00%	2.00%
56	2.00%	5.00%	2.00%
57	2.00%	5.00%	2.00%
58	2.00%	5.00%	2.00%
59	2.00%	5.00%	2.00%
60	5.00%	30.00%	5.00%
61	5.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66+	100.00%	100.00%	100.00%

Table 6
Withdrawal Rates – Nonunion Participants

Age	Years of Service			
	0	1	2	3+
<28	12.00%	10.00%	8.00%	12.00%
29	12.00%	10.00%	8.00%	11.50%
30	12.00%	10.00%	8.00%	10.80%
31	12.00%	10.00%	8.00%	10.20%
32	12.00%	10.00%	8.00%	9.60%
33	12.00%	10.00%	8.00%	9.00%
34	12.00%	10.00%	8.00%	8.50%
35	12.00%	10.00%	8.00%	7.90%
36	12.00%	10.00%	8.00%	7.40%
37	12.00%	10.00%	8.00%	6.90%
38	12.00%	10.00%	8.00%	6.50%
39	12.00%	10.00%	8.00%	6.00%
40	12.00%	10.00%	8.00%	5.60%
41	12.00%	10.00%	8.00%	5.20%
42	12.00%	10.00%	8.00%	4.90%
43	12.00%	10.00%	8.00%	4.50%
44	12.00%	10.00%	8.00%	4.20%
45	12.00%	10.00%	8.00%	3.90%
46	12.00%	10.00%	8.00%	3.60%
47	12.00%	10.00%	8.00%	3.40%
48	12.00%	10.00%	8.00%	3.10%
49	12.00%	10.00%	8.00%	2.90%
50	12.00%	10.00%	8.00%	2.70%
51	12.00%	10.00%	8.00%	2.60%
52	12.00%	10.00%	8.00%	2.40%
53	12.00%	10.00%	8.00%	2.30%
54	12.00%	10.00%	8.00%	2.20%
55	12.00%	10.00%	8.00%	2.20%
56	12.00%	10.00%	8.00%	2.10%
57	12.00%	10.00%	8.00%	2.10%
58	12.00%	10.00%	8.00%	2.00%
59	12.00%	10.00%	8.00%	2.00%
60	12.00%	10.00%	8.00%	1.90%
61	12.00%	10.00%	8.00%	1.90%
62	12.00%	10.00%	8.00%	1.80%
63	12.00%	10.00%	8.00%	1.70%
64	12.00%	10.00%	8.00%	1.60%
65+	12.00%	10.00%	8.00%	1.50%

Table 7
Withdrawal Rates – Union Participants

Age	Years of Service			
	0	1	2	3+
<21	9.60%	9.60%	9.60%	9.60%
22	9.00%	9.00%	9.00%	9.00%
23	8.60%	8.60%	8.60%	8.60%
24	8.00%	8.00%	8.00%	8.00%
25	8.00%	7.60%	7.60%	7.60%
26	8.00%	7.20%	7.20%	7.20%
27	8.00%	6.60%	6.60%	6.60%
28	8.00%	6.20%	6.20%	6.20%
29	8.00%	6.00%	5.80%	5.80%
30	8.00%	6.00%	5.60%	5.60%
31	8.00%	6.00%	5.20%	5.20%
32	8.00%	6.00%	5.00%	4.80%
33	8.00%	6.00%	5.00%	4.40%
34	8.00%	6.00%	5.00%	4.20%
35	8.00%	6.00%	5.00%	3.80%
36	8.00%	6.00%	5.00%	3.60%
37	8.00%	6.00%	5.00%	3.40%
38	8.00%	6.00%	5.00%	3.20%
39	8.00%	6.00%	5.00%	3.00%
40	8.00%	6.00%	5.00%	2.80%
41	8.00%	6.00%	5.00%	2.60%
42	8.00%	6.00%	5.00%	2.40%
43	8.00%	6.00%	5.00%	2.40%
44	8.00%	6.00%	5.00%	2.20%
45	8.00%	6.00%	5.00%	2.20%
46	8.00%	6.00%	5.00%	2.00%
47	8.00%	6.00%	5.00%	2.00%
48	8.00%	6.00%	5.00%	2.00%
49	8.00%	6.00%	5.00%	2.00%
50	8.00%	6.00%	5.00%	2.00%
51	8.00%	6.00%	5.00%	2.00%
52	8.00%	6.00%	5.00%	2.00%
53	8.00%	6.00%	5.00%	2.00%
54	8.00%	6.00%	5.00%	2.00%
55	8.00%	6.00%	5.00%	2.00%
56	8.00%	6.00%	5.00%	2.00%
57	8.00%	6.00%	5.00%	2.00%
58	8.00%	6.00%	5.00%	2.00%
59	8.00%	6.00%	5.00%	2.00%
60	8.00%	6.00%	5.00%	2.00%
61	8.00%	6.00%	5.00%	2.00%
62	8.00%	6.00%	5.00%	2.00%
63	8.00%	6.00%	5.00%	2.00%
64	8.00%	6.00%	5.00%	2.00%
65+	8.00%	6.00%	5.00%	2.00%

Table 8
Disability Rates

Age	Male	Female	Age	Male	Female
20	0.052%	0.052%	50	0.413%	0.575%
21	0.053%	0.056%	51	0.463%	0.613%
22	0.054%	0.060%	52	0.513%	0.650%
23	0.055%	0.064%	53	0.563%	0.700%
24	0.056%	0.067%	54	0.625%	0.738%
25	0.057%	0.071%	55	0.688%	0.783%
26	0.058%	0.075%	56	0.762%	0.825%
27	0.059%	0.075%	57	0.856%	0.875%
28	0.060%	0.081%	58	0.975%	0.950%
29	0.061%	0.083%	59	1.075%	1.050%
30	0.062%	0.087%	60	1.175%	1.150%
31	0.064%	0.092%	61	1.325%	1.275%
32	0.065%	0.113%	62	1.500%	1.450%
33	0.067%	0.125%	63	1.665%	1.625%
34	0.069%	0.142%	64+	1.725%	1.725%
35	0.071%	0.158%			
36	0.073%	0.175%			
37	0.078%	0.194%			
38	0.083%	0.217%			
39	0.092%	0.238%			
40	0.100%	0.263%			
41	0.116%	0.283%			
42	0.131%	0.313%			
43	0.145%	0.338%			
44	0.170%	0.367%			
45	0.200%	0.400%			
46	0.244%	0.431%			
47	0.280%	0.463%			
48	0.325%	0.496%			
49	0.363%	0.533%			

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource Inc. selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and projected benefit obligation for determining pension expense is the projected unit credit cost method. Under this method, benefits are estimated at each decrement age by crediting future accruals based on projected pay as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information Under ASC 715

Benefit obligations and expense/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated benefit obligation represents the actuarial present value of benefits based on service and pay earned as of the measurement date. The projected benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost represents the actuarial present value of benefits that are attributed to the 2013 fiscal year, reflecting the effect of assumed future pay increases. The service cost includes interest to the end of the measurement period at the ASC 715 discount rate.

The net periodic pension expense/(income) is the annual amount to be recognized in the income statement as the cost of pension benefits for this plan for the period ending December 31, 2013.

Settlement/curtailment expense/(income) is the amount to be recognized in the income statement as the cost of special events such as settlements, curtailments, and the provision of certain termination benefits during fiscal 2013.

Plan Provisions

NiSource Pension Plan ("NiSource Plan")

Effective date	January 1, 1945, restated effective January 1, 2013
Eligibility for participation	Exempt employees hired on or after January 1, 2010 and nonexempt nonunion employees hired on or after January 1, 2013 are not eligible for pension benefits. Any other person receiving remuneration for services rendered to Northern Indiana Public Service Company or certain other participating employers, and who is not covered by the NiSource Subsidiary Pension Plan or the Kokomo Union Pension Plan is eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility	
Exempt participants	Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.

Nonexempt nonunion participants Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Union participants Employees hired prior to June 1, 2004 received the union final average pay benefit. Effective June 1, 2004, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit. Employees hired on or after June 1, 2004 receive the account balance I benefit.

Normal retirement

Eligibility

Later of age 65 and fifth anniversary of participation

Benefit

Union Final Average Pay

The sum of (a) and (b):

(a) 0.575% of final five-year average compensation times years of credited service (maximum 30 years)

(b) Years of credited service times applicable job class monthly benefit rate times 12.

For employees terminating on or after January 1, 2007, the applicable job class benefit rate is the following:

Job Classification	Rate
A	\$23.96
B	\$29.56
C	\$35.19
D	\$40.80
E	\$46.44

Benefit is subject to a minimum of \$4,200 per year.

Nonunion Final Average Pay

The sum of (a) and (b):

(a) 1.70% of final five-year average compensation times years of credited service (maximum 30 years)

(b) 0.60% of final five-year average compensation times years of credited service over 30 years

Benefit is subject to a minimum of \$4,200 per year.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early Retirement

Eligibility

Age 55 and 10 years of service

Benefit

Union and nonunion final average pay benefit

A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 6% per year for the first five years and 4% per year for the next five years.

If a participant retires with 25 years of service, there is no reduction at ages 60-64, payments are reduced by 6% at 59, and by 4% per year for each of the next four years. No reductions apply if a union participant retires with 85 age plus service points.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit

Final average pay participants (and nonunion account balance participants hired before January 1, 2002) retiring after age 60 with 25 years of service will receive a supplemental benefit until age 65 equal to the following:

Union participants: The amount varies depending on job classification according to the following table. Union participants may receive a reduced benefit prior to age 60 if retiring with 85 points.

Job Classification	Benefit
A	\$ 9,720
B	\$ 10,020
C	\$ 10,440
D	\$ 10,440
E	\$ 10,440

	Nonunion participants: 80% of the maximum Social Security benefit payable to someone age 65, rounded to the next highest multiple of \$10. This benefit was frozen at its current level as of January 1, 2004 and is not available to employees who first become participants after January 1, 2002.
	Account Balance II participants are not eligible for a supplement.
Vested termination Eligibility	Three years of service
Benefit Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination, subject to a minimum of \$25 per month for each year of service up to 10 years. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors for a retiree with less than 25 years.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Disability retirement Eligibility	
Union participants	15 years of service (3 years if injured on the job)
Nonunion participants	Three years of service and disabled due to injury on the job
Benefit Final average pay participants	A monthly benefit payable immediately based on five-year average compensation and credited service at the date of disability (or 25 years if greater and injury is on the job)
Account balance participants	The participant is entitled to their entire vested cash balance upon disability.
Other disability benefits Eligibility	
Nonunion participants	Qualification for benefits under the employer's long-term disability plan

Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefit payable only to eligible spouse.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal-beneficiaries may elect to receive as a lump sum.)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For any union participants and for any account balance II participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	
Final average pay participants	Life annuity; 100% or 75% joint and survivor annuity (if union, available only if married); 50% joint and survivor annuity (nonunion only)
Account balance participants	Lump sum; life annuity; 100%, 75%, 66 2/3%, 50% pop-up, 33 1/3% joint and survivor annuity; 5 or 10 year certain and life annuity.
Actuarial equivalence	Factors as provided in the plan document

Definitions

Credited service

Employees earn credited service from the day of hire through the date of termination. Union employees earn an hour of service for each hour paid or entitled to payment.

Compensation

Final average pay participants

Form W-2 compensation, including overtime, banked vacation, lump sum merit pay, and bonuses, before any reductions under IRC sections 125 and 401(k), excluding bonuses of salaried employees in excess of 50% of base pay and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).

Account balance participants

Base salary or wages including shift differential (included for Account Balance I participants only), performance-based pay, banked vacation, lump sum merit pay, and commissions, before any reductions under IRC sections 125 and 401(k), but excluding overtime and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).

Five-year average compensation

Union participants

Highest average annual compensation for any five consecutive calendar years; for participants retiring on or after age 65, shall not be less than the average for the 60 consecutive months immediately preceding normal retirement date

Nonunion participants

Highest average annual compensation for any 60 consecutive calendar months within the last 120 months of employment

Plan Provisions

NiSource Subsidiary Pension Plan ("Subsidiary Plan")

Effective date January 1, 1962, restated effective January 1, 2011

Eligibility for participation Exempt employees hired on or after January 1, 2010 and nonexempt employees hired on or after July 1, 2011 are not eligible for pension benefits. All other nonunion employees of Northern Indiana Public Service Company who were previously employed by Northern Indiana Fuel and Light Company, Inc. and Kokomo Gas and Fuel Company, Inc. as of June 30, 2011 are eligible. Union employees of USW Local 13796-01 as of June 30, 2011 are also eligible. Eligible employees participate on their date of hire.

Benefit Formula Eligibility

Exempt participants

Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.

Nonexempt nonunion participants

Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after June 30, 2011 do not participate in the plan.

Nonexempt union participants

Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective July 1, 2011, the NIFL union merged with the NIPSCO union, and all account balance II participants were switched to account balance I (without temporary early retirement supplement). Final average pay participants were allowed a one-time choice of converting to account balance I (without temporary early retirement supplement) effective August 1, 2011 or May 1, 2015. Existing NIFL union account balance I participants will convert to account balance I (without temporary early retirement supplement) effective May 1, 2015. Employees hired after June 30, 2011 do not participate in the plan.

Normal retirement

Eligibility

Later of age 65 and fifth anniversary of participation

Benefit

Final Average Pay

The sum of (a) and (b):

- (a) Benefits accrued as of December 31, 1993 under the prior plan, multiplied by a ratio of the final five-year average compensation as of the date of termination over the five-year average compensation as of December 31, 1993 (not less than 1.0)
- (b) 1.70% of the final five-year average compensation times years of credited service after December 31, 1993 (maximum 30 years) plus 0.60% of the final five-year average compensation times credited service after December 31, 1993 over 30 years

The benefit is subject to certain minimum and maximum benefit calculations.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement	
Eligibility	Age 55 and 10 years of service
Benefit	
Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 6% per year for the first five years and 4% per year for the next five years. If a participant has 25 years of service, there is no reduction at ages 60-64 and payments are reduced by 6% per year for each year payments begin before age 60.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	Any final average pay or account balance I participant retiring after age 60 with 25 years of service will receive a supplemental benefit until age 65 equal to 80% of the maximum Social Security benefit payable to someone age 65, rounded to the next highest multiple of \$10. This benefit was frozen at its current level as of January 1, 2004 and is not available to account balance I employees who first become participants after January 1, 2002. NIFL union participants who converted or will convert to the account balance I benefit are not eligible for a supplement. Account Balance II participants are not eligible for a supplement.
Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors for a retiree with less than 25 years.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.

Disability	
Eligibility	Qualification for benefits under the employer's long-term disability plan
Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits are payable only to eligible spouse.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum, and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance II participants and certain account balance I participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	Life annuity; 100%, 75%, or 50% joint and survivor annuity (final average pay participants); 100%, 75%, 66 2/3%, 50% pop-up, or 33 1/3% joint and survivor annuity, 5 or 10 year certain and life annuity, or lump sum (account balance participants). Additional optional forms exist for prior plan benefit.
Actuarial equivalence	Factors as provided in the plan document

Definitions

Credited service	Employees earn credited service from the day of hire through the date of termination
Compensation	
Final average pay participants	Form W-2 compensation, including overtime, banked vacation, lump sum merit pay, and bonuses, before any reductions under IRC sections 125 and 401(k), excluding bonuses in excess of 50% of base pay and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including shift differential (for account balance I only), performance-based pay, banked vacation, lump sum merit pay, and commissions, before any reductions under IRC sections 125 and 401(k), but excluding overtime and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).
Five-year average compensation	Highest average annual compensation for any 60 consecutive calendar months during the last 120 months of employment

Plan Provisions

Kokomo Union Pension Plan ("Kokomo Union Plan")

Effective Date	January 1, 1946, restated effective January 1, 2011
Eligibility for participation	All bargaining unit employees of Pace, Local 6-159: Paper, Allied-Industrial, Chemical and Energy Workers Union as of June 30, 2011 who transitioned to employment with Northern Indiana Public Service Company effective July 1, 2011 are eligible. Eligible employees participate on the earliest January 1 following the completion of age 20-1/2 and six months of eligibility service.
Benefit Formula Eligibility	Employees hired prior to March 1, 2009 received the final average pay benefit. Employees hired between March 1, 2009 and July 1, 2011 received the account balance II benefit. Employees hired on or after July 1, 2011 do not participate in the plan.
Normal retirement Eligibility	Age 65
Final average pay benefit	The sum of (a) and (b): (a) 1.4% of final five-year average compensation times credited service (maximum 30 years) (b) 0.8% of final five-year average compensation times credited service in excess of 30 years Certain prior accrued benefits are guaranteed as minimum benefits.
Account Balance II benefit	A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

The account balance is credited with interest equal to the greater of 4% or 30-year treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement Eligibility	Age 55 and 24 years of vesting service, or age 60 and 10 years of vesting service
Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced. Reductions are applied from age 65 if a participant has less than 24 years, and from 61, if a participant has 24 years of service. No reductions are applied if a participant is at least age 58 and age plus service is at least 85.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	(a) or (b) (a) Final average pay participants retiring after age 60 and eligible for an unreduced benefit will receive a supplemental benefit until age 65 equal to \$500 per month. (b) Any outside construction final average pay participant retiring after age 55, but before age 60, with at least 85 age plus service points or any clerical participant retiring after age 58, but before age 60, with at least 85 age plus service points will receive a supplemental benefit equal to \$500 per month for 60 months on a prorated basis depending on the number of months retirement precedes age 60. Account Balance II participants are not eligible for a supplement.
Vested termination Eligibility	Three years of service
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for retirement have been satisfied.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Disability Eligibility	Qualification for benefits under the employer's long-term disability plan
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.

Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death Eligibility	Three years of service
Final average pay benefit	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility
Account balance benefit	A life annuity actuarially equivalent to the account as of the date of death (non-spouse beneficiaries must receive as a lump sum, and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance participants, if the spouse dies before the participant and within 60 months after the annuity start date, the benefit increases to the life annuity value.
Optional forms of payment	
Account balance participants	Life annuity; 100%, 75%, 66 2/3%, 50% with pop-up or 33-1/3% joint and survivor annuity; 5 or 10 year certain and life annuity; lump sum.
Final average pay participants	Life annuity, 5, 10, or 15 year certain and life annuity, 50%, 66 2/3%, 75% or 100% joint and survivor annuity, lump sum
Actuarial equivalence Mortality	1983 Group Annuity Mortality Table, weighted 50% male and 50% female
Interest	7.50% per year

Definitions

Credited service Employees earn one year of credited service for any period in which he/she is credited with at least 1,000 hours of service.

Compensation

Final average pay participants Employee's fixed rate of pay before any reductions under IRC sections 125 and 401(k) plus certain inclusions and minus certain exclusions, as specified in the plan document. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).

Account balance participants Base salary or wages including performance-based pay, commissions, and lump sum merit pay before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime, shift differentials, and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited to \$250,000 based upon the provision of the IRC section 401(a)(17).

Five-year average compensation Highest average annual compensation for any five consecutive compensation dates out of the ten latest compensation dates. "Compensation date" means March 1 for this purpose.

Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes:

- A change in 401(a)(17) maximum pay limit from \$245,000 to \$250,000.
- A change in the 415 maximum benefit limit from \$195,000 to \$200,000.
- The NiSource Subsidiary Pension Plan and Kokomo Union Pension Plan were merged into the NiSource Pension Plan effective December 31, 2012.

During 2012, NiSource combined its postretirement benefit plans from twelve plans to four plans (two retiree medical plans and two retiree life insurance plans) to better align with the true legal plan basis. The retiree medical plans have been converted to a Pre-65 plan and Post-65 plan while the retiree life insurance plans have been transitioned to a NIPSCO-Union plan and All Other Life Insurance plan. Columbia Gas of Pennsylvania employees participate in Pre-65, Post-65, and All Other Life postretirement benefit plans. Copies of the actuarial report are attached.

Consulting
Retirement

Actuarial Valuation Report

NiSource Inc.

All Other Life Insurance Benefits

Accounting Information Under ASC Topic 715

As of December 31, 2012

Introduction

This report documents the results of the December 31, 2012 actuarial valuation of the All Other Life Insurance Benefits for the plan sponsor and for NiSource Inc. The information provided in this report is intended strictly for documenting:

- Postretirement welfare benefit cost for the 2013 fiscal year
- Information relating to company and plan disclosure and reporting requirements

Determinations for purposes other than financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and/or its audit partners prior to the issuance of this report. The financial accounting information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by NiSource Inc. as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. Each significant assumption used in this actuarial valuation represents, in our opinion, a reasonable expectation of anticipated experience under the plan.

The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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May 2014

¹ Aon Consulting, Inc. and Hewitt Associates LLC are operating as Aon Hewitt

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Accounting Requirements



Fair Value of Assets

Fair Value of Assets, January 1, 2012	\$	51,037,985
Cash Contributions, Year Ended December 31, 2012		533,682
Net Benefit Payments, Year Ended December 31, 2012		(2,161,274)
Investment Return, Net of Expenses, Year Ended December 31, 2012		<u>6,662,442</u>
Fair Value of Assets, December 31, 2012	\$	56,072,835

ASC 715 Postretirement Welfare Benefit Cost/(Income)

	Fiscal 2012	Fiscal 2013
Service Cost	\$ 854,145	\$ 525,015
Interest Cost	\$ 3,529,786	\$ 3,635,235
Expected Return on Assets	\$ (4,045,536)	\$ (4,444,423)
Amortization of:		
Transition (Asset)/Obligation	\$ 62,751	\$ 23,702
Prior Service Cost	(4,001)	2,018
Net (Gain)/Loss	<u>1,828,483</u>	<u>1,526,717</u>
Total	\$ 1,887,233	\$ 1,552,437
Net Periodic Postretirement Benefit Cost/(Income)	\$ 2,225,628	\$ 1,268,264
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 2,225,628	\$ 1,268,264
Key Assumptions		
Discount Rate	4.88%	4.43%
Expected Long-Term Rate of Return	8.02%	8.02%
Additional Information		
Assumed Expenses in Service Cost (if \$0, rate of return is assumed net of expenses)	\$	0
Expected Benefit Payments	\$	2,598,954
Expected Contributions	\$	1,286,788
Market-Related Value of Assets	\$	0
Average Remaining Service		11.36 years



Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2011	Disclosed December 31, 2012
Accumulated Postretirement Benefit Obligation	\$ (73,539,952)	\$ (83,358,946)
Fair Value of Assets	<u>51,037,985</u>	<u>56,072,835</u>
Funded Status	\$ (22,501,967)	\$ (27,286,111)
Amounts Recognized in Accumulated Other Comprehensive Income:		
Net Transition (Asset)/Obligation	86,453	23,702
Prior Service Cost	(1,983)	2,018
Net (Gain)/Loss	<u>22,567,385</u>	<u>25,679,388</u>
Amount Recognized in Retained Earnings	\$ 149,888	\$ (1,581,003)
Accumulated Other Comprehensive Income	<u>22,651,855</u>	<u>25,705,108</u>
Recognized Asset/(Liability)	\$ (22,501,967)	\$ (27,286,111)

ASC 715 Amortization of Net (Gain)/Loss

ASC 715-60-35-29 describes a minimum amortization requirement for net gains and losses that reflects a corridor based on 10% of the greater of the accumulated postretirement benefit obligation or the market-related value of assets. The following presents the calculation of the portion, if any, of net gain or loss that was included in the net periodic postretirement benefit cost/(income).

	January 1, 2013
Unrecognized Net (Gain)/Loss	\$ 25,679,388
Fair Value of Plan Assets	56,072,835
Market-Related Value of Assets (MRVA)	<u>(56,072,835)</u>
Net (Gain)/Loss Subject to Corridor	\$ 25,679,388
Accumulated Postretirement Benefit Obligation (APBO)	\$ 83,358,946
(Gain)/Loss Corridor, 10% of Greater of APBO or MRVA	\$ 8,335,895
Net (Gain)/Loss Subject to Amortization	\$ 17,343,493
Average Remaining Service to Retirement	11.36 years
Amortization of Net (Gain)/Loss	\$ 1,526,717

Schedule of Other ASC 715 Amortization Amounts

The following tables summarize the amortization schedules for the Prior Service Cost and Net Transition (Asset)/Obligation.

Amortization Amounts of Prior Service Cost

Description	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
Life	\$ 2,018	1.00	\$ 2,018

Amortization Amounts of Net Transition (Asset)/Obligation

Description	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
Life	\$ 23,702	1.00	\$ 23,702

ASC 715 Disclosure

This disclosure is presented in the format described in ASC 715-20.

	Fiscal 2011	Fiscal 2012
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 63,178,863	\$ 73,539,952
Service Cost	803,819	854,145
Interest Cost	3,290,584	3,529,786
Plan Amendments	0	0
Actuarial (Gain)/Loss	8,171,444	7,596,337
Plan Participant Contributions	0	0
Actual Benefits Paid	(1,904,758)	(2,161,274)
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 73,539,952	\$ 83,358,946
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 52,922,274	\$ 51,037,985
Actual Return on Plan Assets	(483,898)	6,662,442
Employer Contributions	504,367	533,682
Plan Participant Contributions	0	0
Actual Benefits Paid	(1,904,758)	(2,161,274)
Fair Value of Plan Assets, End of Year	\$ 51,037,985	\$ 56,072,835
Funded Status of the Plan	\$ (22,501,967)	\$ (27,286,111)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(22,501,967)	(27,286,111)
Net Asset/(Liability) at End of Year	\$ (22,501,967)	\$ (27,286,111)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 86,453	\$ 23,702
Prior Service Cost/(Credit)	(1,983)	2,018
Net Actuarial (Gain)/Loss	22,567,385	25,679,388
Total	\$ 22,651,855	\$ 25,705,108

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Components of Net Periodic Benefit Cost		
Service Cost	\$ 803,819	\$ 854,145
Interest Cost	3,290,584	3,529,786
Expected Return on Assets	(4,128,130)	(4,045,536)
Amortization of:		
Transition (Asset)/Obligation	67,857	62,751
Prior Service Cost/(Credit)	(179,076)	(4,001)
Net (Gain)/Loss	<u>453,789</u>	<u>1,828,483</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 308,843	\$ 2,225,628
Settlement/Curtailment Cost/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Cost/(Income)	\$ 308,843	\$ 2,225,628

Other Changes in Plan Assets and Benefit Obligation

Recognized in Other Comprehensive Income

Net Actuarial (Gain)/Loss	\$ 12,783,472	\$ 4,979,431
Prior Service Cost/(Credit)	0	0
Amortization of:		
Transition (Asset)/Obligation	(67,857)	(62,751)
Prior Service Cost/(Credit)	179,076	4,001
Actuarial (Gain)/Loss	<u>(453,789)</u>	<u>(1,828,483)</u>
Total Recognized in Other Comprehensive Income	\$ 12,440,902	\$ 3,092,198

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the following fiscal year are as follows:

Net Transition (Asset)/Obligation	\$ 23,702
Prior Service Cost/(Credit)	\$ 2,018
Net Actuarial (Gain)/Loss	\$ 1,526,717

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.88%	4.43%
Measurement Date	December 31, 2011	December 31, 2012
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	5.29%	4.88%
Expected Long-Term Rate of Return	7.87%	8.02%
Estimated Future Benefit Payments		
2013 Payouts	\$	2,600,000
2014 Payouts	\$	2,760,000
2015 Payouts	\$	2,900,000
2016 Payouts	\$	3,060,000
2017 Payouts	\$	3,220,000
2018 to 2022 Payouts	\$	18,920,000
Expected Fiscal Year 2013 Contributions	\$	1,290,000

Alternative Amortization Method

As permitted under ASC 715-60-35-18, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.



Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2012. Following are some of the pertinent characteristics from the personnel data as of that date. Both age and service have been determined using years and months as of the valuation date.

January 1, 2012

Active participants

Number	5,804
Average age	47.9
Average service	18.3

Inactive participants

Number	4,032
Average current age	68.1

Actuarial Assumptions and Methods

For ASC 715 Requirements

Measurement date	December 31
Employees included	All active and disabled participants who are eligible to eventually receive postretirement welfare benefits, and all retirees and dependents currently covered are included
Full eligibility date	
Health care	
Participants without defined dollar	Age 55 with 10 years of service
Defined dollar participants	Assumed retirement age, because benefit accrues with service
Life insurance	Age 55 with 10 years of service
Census data	The data is as of January 1, 2012 and the liabilities have been rolled forward to the measurement date
Discount rate	
Pre-65 Medical	3.31%
Post-65 Medical	4.21%
NIPSCO Union Life Insurance	4.33%
All Other Life Insurance	4.43%
Expected long-term rate of return on assets	
Nonunion	7.90%
Union and 401(h)	8.30%
Health care cost trend rates	The trend rates of incurred claims represent the rate of increase in employer claim payments and administrative costs
	7.75% in 2012, grading down to 5% for 2018 and later years
Retiree contribution increases	Equal to health care cost trend rates (except as noted with employer subsidy cap)

For ASC 715 Requirements

Mortality rates (Healthy)	RP-2000 combined healthy fully generational mortality table using Scale AA																				
Mortality rates (Disabled)	RP-2000 disabled mortality table																				
Withdrawal rates																					
Union participants	See Table 1																				
Nonunion participants	See Table 2																				
Disability rates	Rates not used. Only current disabled employees have been included																				
Retirement age	Based on pension plan participation as follows:																				
NiSource, Subsidiary and Kokomo Union Plans	See Table 3																				
Columbia Plan	See Table 4																				
Bay State Nonunion and Union Plans	See Table 5																				
Active employee dependent coverage	80% of male participants and 40% of female participants are assumed to be married and elect coverage for their spouses. Wives are assumed to be three years younger than their husbands.																				
Future retiree coverage elections	Election of future pre-65 retiree health care plan is based on current election patterns for actives. For post-65 coverage, all employees are assumed to elect the Medicare Supplement Plan except Bay State Union employees who are eligible for either the BSG MedSupp plan or the BSG MedSupp Multiunion plan.																				
Future retiree medical participation percentage																					
Retirees with defined dollar subsidy	<table><tr><td></td><th colspan="3">Years of Service</th></tr><tr><th>Retire In</th><th>10-19</th><th>20-29</th><th>30+</th></tr><tr><td>2006 – 2021</td><td>70%</td><td>80%</td><td>90%</td></tr><tr><td>2022 – 2031</td><td>60%</td><td>70%</td><td>80%</td></tr><tr><td>2032+</td><td>50%</td><td>60%</td><td>70%</td></tr></table>		Years of Service			Retire In	10-19	20-29	30+	2006 – 2021	70%	80%	90%	2022 – 2031	60%	70%	80%	2032+	50%	60%	70%
	Years of Service																				
Retire In	10-19	20-29	30+																		
2006 – 2021	70%	80%	90%																		
2022 – 2031	60%	70%	80%																		
2032+	50%	60%	70%																		
RBPs 221Y05 and 221Y14	90%																				
RBPs 821A, 822A, 823A, 824A, 825A, 825B13, 826A, 827A, 825B, 827B, 828A, 828B and 829A	100%																				

For ASC 715 Requirements

Retiree medical lapse rates

RBPs 101A, 101B, 101C, 101M, 101N, 221, 221Y05, 221Y14, 821A, 822A, 823A, 824A, 825A, 825B, 825B13, 826A, 827A, 827B, 828A, 828B and 829A	None
RBPs 101I, 101J, 101K, 101L, and 101O	Approximately 1% of retirees do not re-elect coverage per year for pre-65 retiree medical only
RBPs 101D, 101E, 101F, 101H, 621A, 621B, 621C, 621E, and 622C	Approximately 2% of retirees do not re-elect coverage per year for post-65 retiree medical only
Retirees with defined dollar subsidy	Approximately 1% of retirees do not re-elect coverage per year for pre-65 retiree medical, and 2% of retirees do not re-elect coverage per year for post-65 retiree medical. In addition, 10% of retirees are assumed to lapse coverage at age 65.

Aging

Attained Age	Annual Increases
55 – 64	4%
65 – 69	3%
70 – 74	2%
75 – 79	1%
80+	0%

Aging affects medical and drug claim costs and administration costs

For ASC 715 Requirements

Actuarial cost method

Unit credit (prorated on service) cost method. Costs are prorated over the attribution period, which is defined as the period from date of hire to the full eligibility date.

Administrative expenses

Included in per capita claim costs.

Health care claim amounts

See health care claims development section.

Health care reform excise tax

For NiSource, we examined the effect of the excise tax for each plan and group (non-union and union). We examined the costs separately for single and married retirees. For each of these coverage categories, the pre-65 premiums were used to estimate the excise tax by comparing them to the projected excise tax thresholds. The excess of premiums over the thresholds is subject to the excise tax, and the resulting 40% excise tax, and a tax gross-up assuming a health plan tax rate of 35% was incorporated in the benefit obligation.

The premiums were projected using the health care cost trend rate assumptions as of December 31, 2012. The thresholds as defined by law were then increased with CPI+1% in 2019 and CPI for years after 2019. For long-term annual CPI, we assumed 3.0%.

Post-65 is examined separately and it was determined that there was no material impact on the NiSource liability for post-65.

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation does not reflect any method changes.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate from 4.88% to 4.43%.
- A change in retirement rates for NiSource, Columbia, Subsidiaries, and Kokomo Union final average pay pension participants to better reflect plan experience.
- A change in termination rates for both Union and Nonunion participants to better reflect plan experience.
- A change in the accounting basis from twelve plans (six retiree medical and six retiree life insurance) to four plans (two retiree medical and two retiree life insurance) to better align with the true legal plan basis. Accordingly, certain prior period values that were not originally developed on this revised plan basis have been estimated.
- A change to include all active employees of Columbia Energy Group in the retiree life insurance valuation. Previously, only employees age 45 or older were included.

Table 1
Withdrawal Rates – Union Participants

Age	Years of Service			
	0	1	2	3+
≤21	9.60%	9.60%	9.60%	9.60%
22	9.00%	9.00%	9.00%	9.00%
23	8.60%	8.60%	8.60%	8.60%
24	8.00%	8.00%	8.00%	8.00%
25	8.00%	7.60%	7.60%	7.60%
26	8.00%	7.20%	7.20%	7.20%
27	8.00%	6.60%	6.60%	6.60%
28	8.00%	6.20%	6.20%	6.20%
29	8.00%	6.00%	5.80%	5.80%
30	8.00%	6.00%	5.60%	5.60%
31	8.00%	6.00%	5.20%	5.20%
32	8.00%	6.00%	5.00%	4.80%
33	8.00%	6.00%	5.00%	4.40%
34	8.00%	6.00%	5.00%	4.20%
35	8.00%	6.00%	5.00%	3.80%
36	8.00%	6.00%	5.00%	3.60%
37	8.00%	6.00%	5.00%	3.40%
38	8.00%	6.00%	5.00%	3.20%
39	8.00%	6.00%	5.00%	3.00%
40	8.00%	6.00%	5.00%	2.80%
41	8.00%	6.00%	5.00%	2.60%
42	8.00%	6.00%	5.00%	2.40%
43	8.00%	6.00%	5.00%	2.40%
44	8.00%	6.00%	5.00%	2.20%
45	8.00%	6.00%	5.00%	2.20%
46	8.00%	6.00%	5.00%	2.00%
47	8.00%	6.00%	5.00%	2.00%
48	8.00%	6.00%	5.00%	2.00%
49	8.00%	6.00%	5.00%	2.00%
50	8.00%	6.00%	5.00%	2.00%
51	8.00%	6.00%	5.00%	2.00%
52	8.00%	6.00%	5.00%	2.00%
53	8.00%	6.00%	5.00%	2.00%
54	8.00%	6.00%	5.00%	2.00%
55	8.00%	6.00%	5.00%	2.00%
56	8.00%	6.00%	5.00%	2.00%
57	8.00%	6.00%	5.00%	2.00%
58	8.00%	6.00%	5.00%	2.00%
59	8.00%	6.00%	5.00%	2.00%
60	8.00%	6.00%	5.00%	2.00%
61	8.00%	6.00%	5.00%	2.00%
62	8.00%	6.00%	5.00%	2.00%
63	8.00%	6.00%	5.00%	2.00%
64	8.00%	6.00%	5.00%	2.00%
65+	8.00%	6.00%	5.00%	2.00%

Table 2
Withdrawal Rates – Nonunion Participants

Age	Years of Service			
	0	1	2	3+
≤28	12.00%	10.00%	8.00%	12.00%
29	12.00%	10.00%	8.00%	11.50%
30	12.00%	10.00%	8.00%	10.80%
31	12.00%	10.00%	8.00%	10.20%
32	12.00%	10.00%	8.00%	9.60%
33	12.00%	10.00%	8.00%	9.00%
34	12.00%	10.00%	8.00%	8.50%
35	12.00%	10.00%	8.00%	7.90%
36	12.00%	10.00%	8.00%	7.40%
37	12.00%	10.00%	8.00%	6.90%
38	12.00%	10.00%	8.00%	6.50%
39	12.00%	10.00%	8.00%	6.00%
40	12.00%	10.00%	8.00%	5.60%
41	12.00%	10.00%	8.00%	5.20%
42	12.00%	10.00%	8.00%	4.90%
43	12.00%	10.00%	8.00%	4.50%
44	12.00%	10.00%	8.00%	4.20%
45	12.00%	10.00%	8.00%	3.90%
46	12.00%	10.00%	8.00%	3.60%
47	12.00%	10.00%	8.00%	3.40%
48	12.00%	10.00%	8.00%	3.10%
49	12.00%	10.00%	8.00%	2.90%
50	12.00%	10.00%	8.00%	2.70%
51	12.00%	10.00%	8.00%	2.60%
52	12.00%	10.00%	8.00%	2.40%
53	12.00%	10.00%	8.00%	2.30%
54	12.00%	10.00%	8.00%	2.20%
55	12.00%	10.00%	8.00%	2.20%
56	12.00%	10.00%	8.00%	2.10%
57	12.00%	10.00%	8.00%	2.10%
58	12.00%	10.00%	8.00%	2.00%
59	12.00%	10.00%	8.00%	2.00%
60	12.00%	10.00%	8.00%	1.90%
61	12.00%	10.00%	8.00%	1.90%
62	12.00%	10.00%	8.00%	1.80%
63	12.00%	10.00%	8.00%	1.70%
64	12.00%	10.00%	8.00%	1.60%
65+	12.00%	10.00%	8.00%	1.50%

Table 3
Retirement Rates—NiSource, Subsidiary and Kokomo Union Pension Plan Participants

Age	Final Average Pay Participants ¹ and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	10.00%	10.00%	2.00%
56	10.00%	10.00%	2.00%
57	10.00%	10.00%	2.00%
58	10.00%	10.00%	2.00%
59	10.00%	10.00%	2.00%
60	10.00%	40.00%	5.00%
61	10.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66	50.00%	50.00%	100.00%
67	50.00%	50.00%	100.00%
68	50.00%	50.00%	100.00%
69	50.00%	50.00%	100.00%
70+	100.00%	100.00%	100.00%

¹ NiSource union participants who are under age 60 and who have greater than 85 points have assumed retirement rates of 15.00% per year.

Table 4
Retirement Rates—Columbia Pension Plan Participants

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
55		15.00%	2.00%
56		7.00%	2.00%
57		7.00%	2.00%
58		10.00%	2.00%
59		10.00%	2.00%
60		20.00%	5.00%
61		20.00%	5.00%
62		20.00%	25.00%
63		20.00%	10.00%
64		30.00%	10.00%
65		50.00%	50.00%
66		35.00%	100.00%
67		35.00%	100.00%
68		35.00%	100.00%
69+		100.00%	100.00%

Table 5
Retirement Rates—Bay State Nonunion and Union Pension Plan Participants

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	2.00%	5.00%	2.00%
56	2.00%	5.00%	2.00%
57	2.00%	5.00%	2.00%
58	2.00%	5.00%	2.00%
59	2.00%	5.00%	2.00%
60	5.00%	30.00%	5.00%
61	5.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66+	100.00%	100.00%	100.00%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource Inc. selected the economic, demographic, and health care claim cost assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and accumulated postretirement benefit obligation is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in health claims and the effect of retiree contributions and Medicare reimbursement, as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The service cost is the present value of projected benefits that are attributed to the 2013 fiscal year, reflecting the effect of assumed future health care claim costs. The service cost includes interest to the end of the measurement period at the ASC 715 discount rate.

The net periodic postretirement cost/(income) is the annual amount to be recognized in the income statement as the cost of benefits for this plan for the period ending December 31, 2013.

Settlement/curtailment cost/(income) is the amount to be recognized in the income statement as the cost of special events such as settlements, curtailments, and the provision of certain termination benefits during fiscal 2013.

Plan Provisions

Summary of All Other Life Insurance Plan Provisions

This section highlights the key non-NIPSCO union life insurance plan provisions reflected in the December 31, 2012 measurement.

Eligibility for Participation

Immediate

Eligibility for Benefits

Age 55 and 10 years of service

Available Coverage

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance
101	All Nonunion Exempt Full-Time retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt Full-Time retired on or after 02/01/2004 and hired before 01/01/2013	\$25,000 with no reduction
101A	Bay State Nonunion retired on or before 01/01/2002	\$5,000 or Grandfathered Amount No Maximum/No Reduction
101B	Bay State Nonunion retired after 01/01/2002 and age 45 or older as of 01/01/1992 and hired before 09/01/1990 and elected retiree medical coverage and waived special saving plans match	50% of Annual Salary No Maximum/No Reduction
101C	Bay State Nonunion retired between 01/01/2002 and 02/01/2004	50% of Annual Salary No Maximum/No Reduction
101D	CEG Nonunion retired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000/No Reduction
101E	CEG Nonunion retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000/No Reduction
101F	CEG Nonunion retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	50% of pay of final base salary Maximum \$50,000/No Reduction
101G	Columbia Nonunion—2002 ERW/VSP Age 50–52 (Salary continuation)	\$25,000 with no reduction
101H	Columbia Nonunion 2002—ERW/VSP Group Age 53–55, retired on or after 02/01/2004	50% of pay of final base salary Maximum \$50,000/No Reduction
101I	Kokomo Nonunion retired before 01/01/2002	No coverage



Retiree Benefit Program (RBP)	Group	Retiree Life Insurance
101J	Kokomo Nonunion retired between 01/01/2002 and 02/01/2004	50% of Annual Salary No Maximum/No Reduction
101K	NiSource Nonunion retired on or before 02/01/1997	50% of Annual Salary No Maximum/No Reduction
101L	NiSource Nonunion retired after 02/01/1997 and before 02/01/2004	50% of Annual Salary No Maximum/No Reduction
101M	NIFL retired before 01/01/2002	No coverage
101N	NIFL retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	50% of Annual Salary No Maximum/No Reduction
101O	NIFL retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	50% of Annual Salary No Maximum/No Reduction
102	All Nonunion Exempt Part-Time retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt Part-Time retired on or after 02/01/2004 and hired before 01/01/2013	\$25,000 with no reduction
102D	Columbia Nonunion—2002 ERW/VSP Age 50–52 Part-Time	\$25,000 with no reduction
104	All Nonunion Exempt Full-Time retired on or after 02/01/2006 but hired before 01/01/2010	\$10,000 with no reduction
105	All Nonunion Exempt Part-Time retired on or after 02/01/2006 but hired before 01/01/2010	\$10,000 with no reduction
106	All Nonunion Exempt Full-Time hired after 01/01/2010	No coverage
107	All Nonunion Exempt Part-Time hired after 01/01/2010	No coverage
108	All Nonunion Non-Exempt Full-Time hired on or after 01/01/2013	No coverage
109	All Nonunion Non-Exempt Part-Time hired on or after 01/01/2013	No coverage
132	Special 4th Quarter VSP retired before 02/01/2004	No coverage
321	NIFL Union retired on or after 01/01/2006	\$25,000 with no reduction
621	CEG Union Full-Time retired after 01/01/2004 but hired before 01/01/2013	\$25,000 with no reduction
621A	CEG Union retired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000/No Reduction

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance
621B	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary)
621C	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	Maximum \$80,000/No Reduction 50% of pay of final base salary Maximum \$50,000/No Reduction
621D	CEG Union—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	\$25,000 with no reduction
621E	CEG Union—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	50% of pay of final base salary Maximum \$50,000/No Reduction
622	CEG Union Part-Time retired after 02/01/2004 and hired before 01/01/2013	\$25,000 with no reduction
622C	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/2003	50% of pay of final base salary Maximum \$50,000/No Reduction
623	CEG Union Full-Time hired on or after 01/01/2013	No Coverage
624	CEG Union Part-Time hired on or after 01/01/2013	No Coverage
721Y05	Kokomo Union Outside (majority) retired after 01/01/2005	No Coverage
821	Bay State Union Brockton Physical hired before 1/1/2013 and does not meet requirements of 821A	\$5,000 or grandfathered amount with no reduction
821A	Bay State Union Brockton Physical hired before 03/01/1991 and age 45 on 09/01/1991	\$5,000 or grandfathered amount with no reduction
822	Bay State Union Brockton C/T and does not meet requirements of 822A	\$5,000 or grandfathered amount with no reduction
822A	Bay State Union Brockton C/T hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000 or grandfathered amount with no reduction
823	Bay State Union Granite retired after 01/01/2004	\$5,000 or grandfathered amount with no reduction
823A	Bay State Union Granite hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	\$5,000 or grandfathered amount with no reduction
824	Bay State Union Lawrence retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	\$5,000 or grandfathered amount with no reduction
824A	Bay State Union Lawrence hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	\$5,000 or grandfathered amount with no reduction
824Y13	Bay State Union Lawrence hired before 1/1/2013 and retired on or after 01/01/2013	\$5,000 or grandfathered amount with no reduction
825	Bay State Union Northhampton hired after 06/18/1999	\$5,000 or grandfathered amount with no reduction
825A	Bay State Union Northhampton hired before 06/18/1999 and at least age 45 on 01/01/1993	\$5,000 or grandfathered amount with no reduction

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance
825B	Bay State Union Northhampton hired before 06/18/1999 and not age 45 on 01/01/1993 and retired before 01/01/2013	\$5,000 or grandfathered amount with no reduction
825B13	Bay State Union Northhampton hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2013	\$5,000 or grandfathered amount with no reduction
826	Bay State Union Portland retired after 01/01/2004 and does not meet requirements of 826A	\$5,000 or grandfathered amount with no reduction
826A	Bay State Union Portland hired before 04/01/1991 and age 45 by 04/01/1991	\$5,000 or grandfathered amount with no reduction
827	Bay State Union Portsmouth hired after 06/04/1999	\$5,000 or grandfathered amount with no reduction
827A	Bay State Union Portsmouth hired before 06/04/1999 and age 45 on 01/01/1993	\$5,000 or grandfathered amount with no reduction
827B	Bay State Union Portsmouth hired before 06/04/1999 and not age 45 on 01/01/1993	\$5,000 or grandfathered amount with no reduction
828	Bay State Union Springfield Physical hired after 05/14/1999	\$5,000 or grandfathered amount with no reduction
828A	Bay State Union Springfield Physical hired before 05/14/1999 and at least age 45 on 01/01/1993	\$5,000 or grandfathered amount with no reduction
828B	Bay State Union Springfield Physical hired before 05/14/1999 and not age 45 on 01/01/1993	\$5,000 or grandfathered amount with no reduction
829	Bay State Union Springfield C/T retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	\$5,000 or grandfathered amount with no reduction
829A	Bay State Union Springfield C/T hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000 or grandfathered amount with no reduction
829Y08	Bay State Union Springfield C/T retired after 01/01/2008 and retired before 01/01/2011 and does not meet the requirements of 829A	\$5,000 with no reduction
829Y11	Bay State Union Springfield C/T hired before 1/1/2011 and retired after 01/01/2011 and does not meet the requirements of 829A	\$5,000 with no reduction

Schedule of Benefits for Retiree Benefit Programs 101D, 101E, 621A and 621B

Basic Annual Salary	Amount	Basic Annual Salary	Amount
\$12,000 to \$13,570	\$10,000	\$56,250 to \$58,750	\$46,000
\$13,750 to \$16,250	\$12,000	\$58,750 to \$61,250	\$48,000
\$16,250 to \$18,750	\$14,000	\$61,250 to \$63,650	\$50,000
\$18,750 to \$21,250	\$16,000	\$63,650 to \$66,250	\$52,000
\$21,250 to \$23,750	\$18,000	\$66,250 to \$68,750	\$54,000
\$23,750 to \$26,250	\$20,000	\$68,750 to \$71,250	\$56,000
\$26,250 to \$28,750	\$22,000	\$71,250 to \$73,750	\$58,000
\$28,750 to \$31,250	\$24,000	\$73,750 to \$76,250	\$60,000
\$31,250 to \$33,750	\$26,000	\$76,250 to \$78,750	\$62,000
\$33,750 to \$36,250	\$28,000	\$78,750 to \$81,250	\$64,000
\$36,250 to \$38,750	\$30,000	\$81,250 to \$83,750	\$66,000
\$38,750 to \$41,250	\$32,000	\$83,750 to \$86,250	\$68,000
\$41,250 to \$43,750	\$34,000	\$86,250 to \$88,750	\$70,000
\$43,750 to \$46,250	\$36,000	\$88,750 to \$91,250	\$72,000
\$46,250 to \$48,750	\$38,000	\$91,250 to \$93,750	\$74,000
\$48,750 to \$51,250	\$40,000	\$93,750 to \$96,250	\$76,000
\$51,250 to \$53,750	\$42,000	\$96,250 to \$98,750	\$78,000
\$53,750 to \$56,250	\$44,000	\$98,750+	\$80,000

Plan Changes Since the Prior Year

The financial accounting valuation does not reflect any changes.

Actuarial Valuation Report

NiSource Inc.

Post-65 Medical Benefits

Accounting Information Under ASC Topic 715

As of December 31, 2012

Introduction

This report documents the results of the December 31, 2012 actuarial valuation of the Post-65 Medical Benefits for the plan sponsor and for NiSource Inc. The information provided in this report is intended strictly for documenting:

- Postretirement welfare benefit cost for the 2013 fiscal year
- Information relating to company and plan disclosure and reporting requirements

Determinations for purposes other than financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and/or its audit partners prior to the issuance of this report. The financial accounting information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, health care claim cost, and asset information supplied by NiSource Inc. and its health plans as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. Each significant assumption used in this actuarial valuation represents, in our opinion, a reasonable expectation of anticipated experience under the plan.

The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

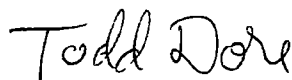
To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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May 2014

¹ Aon Consulting, Inc. and Hewitt Associates LLC are operating as Aon Hewitt



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Accounting Requirements



Fair Value of Assets

Fair Value of Assets, January 1, 2012	\$ 159,103,070
Cash Contributions, Year Ended December 31, 2012	16,424,623
Net Benefit payments, Year Ended December 31, 2012	(15,958,870)
Investment Return, Net of Expenses, Year Ended December 31, 2012	<u>22,517,068</u>
Fair Value of Assets, December 31, 2011	\$ 182,085,891



ASC 715 Postretirement Welfare Benefit Cost/(Income)

	Fiscal 2012	Fiscal 2013
Service Cost	\$ 4,209,568	\$ 4,858,963
Interest Cost	\$ 20,279,346	\$ 19,536,637
Expected Return on Assets	\$ (12,935,066)	\$ (14,694,438)
Amortization of:		
Transition (Asset)/Obligation	\$ 818,056	\$ 357,676
Prior Service Cost	167,686	(138,489)
Net (Gain)/Loss	<u>5,082,923</u>	<u>6,544,892</u>
Total	\$ 6,068,665	\$ 6,764,079
Net Periodic Postretirement Benefit Cost/(Income)	\$ 17,622,513	\$ 16,465,241
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 17,622,513	\$ 16,465,241
Key Assumptions		
Discount Rate	4.88%	4.21%
Expected Long-Term Rate of Return	8.15%	8.15%
Health Care Trend Rates		
Trend for Next Year/Ultimate Trend	7.50%/5.00%	7.25%/5.00%
Year Ultimate Trend Reached	2017	2018
Additional Information		
Assumed Expenses in Service Cost (if \$0, Rate of Return is Assumed Net of Expenses)	\$	0
Expected Benefit Payments	\$	21,095,293
Expected Contributions	\$	17,523,228
Expected Retiree Drug Subsidy Reimbursement	\$	1,458,354
Market-Related Value of Assets	\$	182,085,891
Average Remaining Service		12.01 years



Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2011	Disclosed December 31, 2012
Accumulated Postretirement Benefit Obligation	\$ (425,714,094)	\$ (473,871,640)
Fair Value of Assets	<u>159,103,070</u>	<u>182,085,891</u>
Funded Status	\$ (266,611,024)	\$ (291,785,749)
Amounts Recognized in Accumulated Other Comprehensive Income:		
Net Transition (Asset)/Obligation	1,175,732	357,676
Prior Service Cost	(3,323,233)	(542,737)
Net (Gain)/Loss	<u>104,864,471</u>	<u>125,991,316</u>
Amount Recognized In Retained Earnings	\$ (163,894,054)	\$ (165,979,494)
Accumulated Other Comprehensive Income	102,716,970	125,806,255
Recognized Asset/(Liability)	\$ (266,611,024)	(291,785,749)



ASC 715 Amortization of Net (Gain)/Loss

ASC 715-60-35-29 describes a minimum amortization requirement for net gains and losses that reflects a corridor based on 10% of the greater of the accumulated postretirement benefit obligation or the market-related value of assets. The following presents the calculation of the portion, if any, of net gain or loss that was included in the net periodic postretirement benefit cost/(income).

	January 1, 2013
Unrecognized Net (Gain)/Loss	\$ 125,991,316
Fair Value of Plan Assets	182,085,891
Market-Related Value of Assets (MRVA)	<u>(182,085,891)</u>
Net (Gain)/Loss Subject to Corridor	\$ 125,991,316
Accumulated Postretirement Benefit Obligation (APBO)	\$ 473,871,640
(Gain)/Loss Corridor, 10% of Greater of APBO or MRVA	\$ 47,387,164
Net (Gain)/Loss Subject to Amortization	\$ 78,604,152
Average Remaining Service to Retirement	12.01 years
Amortization of Net (Gain)/Loss	\$ 6,544,892

Schedule of Other ASC 715 Amortization Amounts

The following table summarizes the amortization schedules for the Prior Service Cost and Net Transition (Asset)/Obligation.

Amortization Amounts of Prior Service Cost

Description	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
NIPSCO	\$ (1,002,790)	6.79	\$ (6,808,947)
Columbia	334,987	6.75	2,261,153
Columbia	32,429	7.29	236,394
BSNU	68,460	3.75	256,717
BSNU	2,544	8.19	20,837
BSU	11,223	1.00	11,223
BSU	30,309	6.41	194,281
BSU	34,691	7.55	261,921
BSU	615	9.12	5,607
BSU	265,126	9.12	2,417,937
NIFL	21,241	2.75	58,415
NIFL	3,484	3.75	13,057
NIFL	7,665	7.46	57,171
NIFL	2,936	12.12	35,580
Kokomo	13,914	6.75	93,864
Kokomo	20,489	9.05	185,428
Kokomo	628	10.62	6,656
Kokomo	13,560	11.06	149,969
Total	\$ (138,489)		\$ (542,737)

Amortization Amounts of Net Transition (Asset)/Obligation

Description	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
Post-65 Medical	\$ 357,676	1.00	\$ 357,676

ASC 715 Disclosure

This disclosure is presented in the format described in ASC 715-20.

	Fiscal 2011	Fiscal 2012
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 411,499,917	\$ 425,714,094
Service Cost	3,621,917	4,209,568
Interest Cost	20,936,437	20,279,346
Plan Amendments	202,045	2,948,188
Actuarial (Gain)/Loss	3,757,179	35,791,781
Plan Participant Contributions	2,731,161	3,037,413
Actual Benefits Paid	(17,910,125)	(18,996,283)
Retiree Drug Subsidy Reimbursement	875,563	887,533
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 425,714,094	\$ 473,871,640
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 152,423,134	\$ 159,103,070
Actual Return on Plan Assets	(606,963)	22,517,068
Employer Contributions	22,465,863	16,424,623
Plan Participant Contributions	2,731,161	3,037,413
Actual Benefits Paid	(17,910,125)	(18,996,283)
Fair Value of Plan Assets, End of Year	\$ 159,103,070	\$ 182,085,891
Funded Status of the Plan	\$ (266,611,024)	\$ (291,785,749)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(266,611,024)	(291,785,749)
Net Asset/(Liability) at End of Year	\$ (266,611,024)	\$ (291,785,749)
Amounts Recognized In Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 1,175,732	\$ 357,676
Prior Service Cost/(Credit)	(3,323,233)	(542,737)
Net Actuarial (Gain)/Loss	104,864,471	125,991,316
Total	\$ 102,716,970	\$ 125,806,255

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Components of Net Periodic Benefit Cost		
Service Cost	\$ 3,621,917	\$ 4,209,568
Interest Cost	20,936,437	20,279,346
Expected Return on Assets	(12,523,917)	(12,935,066)
Amortization of:		
Transition (Asset)/Obligation	852,291	818,056
Prior Service Cost/(Credit)	(259,662)	167,686
Net (Gain)/Loss	<u>3,858,399</u>	<u>5,082,923</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 16,485,465	\$ 17,622,513
Settlement/Curtailment Cost/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Cost/(Income)	\$ 16,485,465	\$ 17,622,513

Other Changes in Plan Assets and Benefit obligation Recognized in Other Comprehensive Income

Net Actuarial (Gain)/Loss	\$ 16,888,059	\$ 26,029,762
Prior Service Cost/(Credit)	202,045	2,948,188
Amortization of:		
Transition (Asset)/Obligation	(852,291)	(818,056)
Prior Service Cost/(Credit)	259,662	(167,686)
Actuarial (Gain)/Loss	<u>(3,858,399)</u>	<u>(5,082,923)</u>
Total Recognized in Other Comprehensive Income	\$ 12,639,076	\$ 23,089,285

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the following fiscal year are as follows:

Net Transition (Asset)/Obligation	\$ 357,676
Prior Service Cost/(Credit)	\$ (138,489)
Net Actuarial (Gain)/Loss	\$ 6,544,892

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.88%	4.21%
Health Care Trend Rates		
Trend for Next Year	7.50%	7.25%
Ultimate Trend Rate	5.00%	5.00%
Year Ultimate Trend Reached	2017	2018
Measurement Date	December 31, 2011	December 31, 2012
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	5.29%	4.88%
Expected Long-term Rate of Return	8.30%	8.15%
Health Care Trend Rates		
Trend for Next Year	8.00%	7.50%
Ultimate Trend Rate	5.00%	5.00%
Year Ultimate Trend Reached	2017	2017
Impact of a 1% Increase in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ 47,006,000	\$ 52,948,000
On Service Cost and Interest Cost for Year	\$ 2,929,000	\$ 3,091,000
Impact of a 1% Decrease in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ (41,978,000)	\$ (43,451,000)
On Service Cost and Interest Cost for Year	\$ (2,536,000)	\$ (2,436,000)

ASC 715 Disclosure

	Fiscal 2012
Estimated Net Future Benefit Payments	
2013 Payouts	\$ 19,640,000
2014 Payouts	\$ 21,570,000
2015 Payouts	\$ 23,330,000
2016 Payouts	\$ 24,840,000
2017 Payouts	\$ 26,130,000
2018 to 2022 Payouts	\$ 142,030,000
Estimated Future Retiree Drug Subsidy Reimbursements	
2013 Payouts	\$ 1,460,000
2014 Payouts	\$ 1,680,000
2015 Payouts	\$ 1,860,000
2016 Payouts	\$ 1,970,000
2017 Payouts	\$ 2,020,000
2018 to 2022 Payouts	\$ 9,070,000
Expected Fiscal Year 2013 Contributions	\$ 17,500,000

Alternative Amortization Method

As permitted under ASC 715-60-35-18, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.



Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2012. Following are some of the pertinent characteristics from the personnel data as of that date. Both age and service have been determined using years and months as of the valuation date.

	January 1, 2012
Active participants	
Number	7,689
Average age	47.5
Average service	17.9
Inactive participants	
Retirees and surviving spouses	6,418 ¹
Average current age	70.4
Covered spouses	3,613
Average current age	66.5
Total participants	
Number	17,720

¹ Excludes 2,971 retirees with post-65 supplement only

Health Care Claims Development

Self-insured premium equivalents, fully-insured premiums, and enrollment were used to develop average per capita claim costs by age.

Development of Self-Insured Premium Equivalents

Separate projections were performed for pre- and post-65 plans. For Pre-65 projections, 24 months of paid claim and enrollment data (January 2010 – December 2011) was used. The data was separated into two experience periods (calendar year). For each experience period, paid claims were divided by enrollment. The per-employee claims were then trended to 2012.

Finally, an adjustment was made to account for any plan design changes, and applicable administration fees were then added to calculate the average self-insured premium equivalent for each plan.

For Post-65 projections 36 months of paid claim and enrollment data (January 2009 – December 2011) was used. The data was separated into three experience periods (calendar year). For each experience period, paid claims were divided by enrollment. The per-employee claims were then trended to 2012.

Adjustments to Fully-Insured Premium

For pre-65 participants, the fully-insured premium applies to active employees and retirees. For each plan, the true retiree costs were developed using the active and retiree enrollment and age distributions and age grading assumptions. For post-65 participants, this adjustment was not required.

The self-insured premium equivalents were then enrollment weighted with the adjusted fully-insured premiums to develop the average per capita claims cost.

Health Care Claims Development

2012 Health Care Claims

The annual per capita claim costs for 2012 are as follows at age 61 for pre-65 retirees and age 74 for post-65 retirees:

	Pre-65 Active/Retiree Blended ¹	Pre-65 Retiree Only ²
Anthem Kentucky	6,818	7,579
Carelink Health Plans	6,814	8,493
Harvard Pilgrim HMO	10,121	12,448
Health America – Pittsburgh	5,357	6,841
Health New England HMO	5,925	8,905
High Deductible PPO 1	2,632	4,041
High Deductible PPO 2	2,237	3,627
Kaiser Permanente	6,397	8,245
Keystone Health Plan – Central	7,209	9,255
Kokomo PPO	10,042	10,042
NIPSCO PPO	7,494	9,716
Optimum Choice	7,378	9,126
PPO	6,669	8,647
Southern Health HMO	7,295	10,031
Tufts HMO	7,471	10,293

	Post-65	Part D Reimbursement
Medicare Supplement - Flex	\$ 2,090	N/A
Medicare Supplement – NIPSCO	\$ 2,082	N/A
MAP	\$ 4,301	\$ 697
MAP (Medical Only)	\$ 1,424	N/A
BSG Med Supp Multi Union	\$ 2,054	N/A
BSG Med Supp	\$ 4,897	\$ 593
BSG Med Supp (Medical Only)	\$ 2,054	N/A
Medigap Supplement	\$ 4,500	\$ 631
Keystone Health Plan - Central	\$ 5,472	N/A

¹ Defined dollar subsidy applied against this amount. For valuation purposes, claims were created by operating unit based on current retiree enrollment.

² Excess of this amount over active/retiree blended amount is provided by NiSource. For valuation purposes, claims were created by operating unit based on current retiree enrollment.

Actuarial Assumptions and Methods

For ASC 715 Requirements

Measurement date	December 31
Employees included	All active and disabled participants who are eligible to eventually receive postretirement welfare benefits, and all retirees and dependents currently covered are included
Full eligibility date	
Health care	
Participants without defined dollar	Age 55 with 10 years of service
Defined dollar participants	Assumed retirement age, because benefit accrues with service
Life insurance	Age 55 with 10 years of service
Census data	The data is as of January 1, 2012 and the liabilities have been rolled forward to the measurement date
Discount rate	
Pre-65 Medical	3.31%
Post-65 Medical	4.21%
NIPSCO Union Life Insurance	4.33%
All Other Life Insurance	4.43%
Expected long-term rate of return on assets	
Nonunion	7.90%
Union and 401(h)	8.30%
Health care cost trend rates	The trend rates of incurred claims represent the rate of increase in employer claim payments and administrative costs
	7.75% in 2012, grading down to 5% for 2018 and later years
Retiree contribution increases	Equal to health care cost trend rates (except as noted with employer subsidy cap)



For ASC 715 Requirements

Mortality rates (Healthy)	RP-2000 combined healthy fully generational mortality table using Scale AA																				
Mortality rates (Disabled)	RP-2000 disabled mortality table																				
Withdrawal rates																					
Union participants	See Table 1																				
Nonunion participants	See Table 2																				
Disability rates	Rates not used. Only current disabled employees have been included																				
Retirement age	Based on pension plan participation as follows:																				
NiSource, Subsidiary and Kokomo																					
Union Plans	See Table 3																				
Columbia Plan	See Table 4																				
Bay State Nonunion and Union Plans	See Table 5																				
Active employee dependent coverage	80% of male participants and 40% of female participants are assumed to be married and elect coverage for their spouses. Wives are assumed to be three years younger than their husbands.																				
Future retiree coverage elections	Election of future pre-65 retiree health care plan is based on current election patterns for actives. For post-65 coverage, all employees are assumed to elect the Medicare Supplement Plan except Bay State Union employees who are eligible for either the BSG MedSupp plan or the BSG MedSupp Multiunion plan.																				
Future retiree medical participation percentage																					
Retirees with defined dollar subsidy	<table><tr><td></td><th colspan="3">Years of Service</th></tr><tr><th>Retire In</th><th>10-19</th><th>20-29</th><th>30+</th></tr><tr><td>2006 – 2021</td><td>70%</td><td>80%</td><td>90%</td></tr><tr><td>2022 – 2031</td><td>60%</td><td>70%</td><td>80%</td></tr><tr><td>2032+</td><td>50%</td><td>60%</td><td>70%</td></tr></table>		Years of Service			Retire In	10-19	20-29	30+	2006 – 2021	70%	80%	90%	2022 – 2031	60%	70%	80%	2032+	50%	60%	70%
	Years of Service																				
Retire In	10-19	20-29	30+																		
2006 – 2021	70%	80%	90%																		
2022 – 2031	60%	70%	80%																		
2032+	50%	60%	70%																		
RBPs 221Y05 and 221Y14	90%																				
RBPs 821A, 822A, 823A, 824A	100%																				
825A, 825B13, 826A, 827A, 825B, 827B, 828A, 828B and 829A																					



For ASC 715 Requirements

Retiree medical lapse rates

RBPs 101A, 101B, 101C, 101M, 101N,
221, 221Y05, 221Y14, 821A, 822A,
823A, 824A, 825A, 825B, 825B13,
826A, 827A, 827B, 828A, 828B and 829A

None

RBPs 101I, 101J, 101K, 101L, and 101O

Approximately 1% of retirees do not re-elect coverage
per year for pre-65 retiree medical only

RBPs 101D, 101E, 101F, 101H,
621A, 621B, 621C, 621E, and 622C

Approximately 2% of retirees do not re-elect
coverage per year for post-65 retiree medical only

Retirees with defined dollar subsidy

Approximately 1% of retirees do not re-elect coverage
per year for pre-65 retiree medical, and 2% of retirees do
not re-elect coverage per year for post-65 retiree
medical. In addition, 10% of retirees are assumed to
lapse coverage at age 65.

Aging

Attained Age	Annual Increases
55 – 64	4%
65 – 69	3%
70 – 74	2%
75 – 79	1%
80+	0%

Aging affects medical and drug claim costs and
administration costs



For ASC 715 Requirements

Actuarial cost method

Unit credit (prorated on service) cost method. Costs are prorated over the attribution period, which is defined as the period from date of hire to the full eligibility date.

Administrative expenses

Included in per capita claim costs.

Health care claim amounts

See health care claims development section.

Health care reform excise tax

For NiSource, we examined the effect of the excise tax for each plan and group (non-union and union). We examined the costs separately for single and married retirees. For each of these coverage categories, the pre-65 premiums were used to estimate the excise tax by comparing them to the projected excise tax thresholds. The excess of premiums over the thresholds is subject to the excise tax, and the resulting 40% excise tax, and a tax gross-up assuming a health plan tax rate of 35% was incorporated in the benefit obligation.

The premiums were projected using the health care cost trend rate assumptions as of December 31, 2012. The thresholds as defined by law were then increased with CPI+1% in 2019 and CPI for years after 2019. For long-term annual CPI, we assumed 3.0%.

Post-65 is examined separately and it was determined that there was no material impact on the NiSource liability for post-65.

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation does not reflect any method changes.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate from 4.88% to 4.21%.
- A change in retirement rates for NiSource, Columbia, Subsidiaries, and Kokomo Union final average pay pension participants to better reflect plan experience.
- A change in termination rates for both Union and Nonunion participants to better reflect plan experience.
- A change in the health care trend rates from 8.00% in 2011 grading down to 5.00% in 2017 to 7.75% in 2012 grading down to 5.00% in 2018.
- A change in the accounting basis from twelve plans (six retiree medical and six retiree life insurance) to four plans (two retiree medical and two retiree life insurance) to better align with the true legal plan basis. Accordingly, certain prior period values that were not originally developed on this revised plan basis have been estimated.

Table 1
Withdrawal Rates – Union Participants

Age	Years of Service			
	0	1	2	3+
<21	9.60%	9.60%	9.60%	9.60%
22	9.00%	9.00%	9.00%	9.00%
23	8.60%	8.60%	8.60%	8.60%
24	8.00%	8.00%	8.00%	8.00%
25	8.00%	7.60%	7.60%	7.60%
26	8.00%	7.20%	7.20%	7.20%
27	8.00%	6.60%	6.60%	6.60%
28	8.00%	6.20%	6.20%	6.20%
29	8.00%	6.00%	5.80%	5.80%
30	8.00%	6.00%	5.60%	5.60%
31	8.00%	6.00%	5.20%	5.20%
32	8.00%	6.00%	5.00%	4.80%
33	8.00%	6.00%	5.00%	4.40%
34	8.00%	6.00%	5.00%	4.20%
35	8.00%	6.00%	5.00%	3.80%
36	8.00%	6.00%	5.00%	3.60%
37	8.00%	6.00%	5.00%	3.40%
38	8.00%	6.00%	5.00%	3.20%
39	8.00%	6.00%	5.00%	3.00%
40	8.00%	6.00%	5.00%	2.80%
41	8.00%	6.00%	5.00%	2.60%
42	8.00%	6.00%	5.00%	2.40%
43	8.00%	6.00%	5.00%	2.40%
44	8.00%	6.00%	5.00%	2.20%
45	8.00%	6.00%	5.00%	2.20%
46	8.00%	6.00%	5.00%	2.00%
47	8.00%	6.00%	5.00%	2.00%
48	8.00%	6.00%	5.00%	2.00%
49	8.00%	6.00%	5.00%	2.00%
50	8.00%	6.00%	5.00%	2.00%
51	8.00%	6.00%	5.00%	2.00%
52	8.00%	6.00%	5.00%	2.00%
53	8.00%	6.00%	5.00%	2.00%
54	8.00%	6.00%	5.00%	2.00%
55	8.00%	6.00%	5.00%	2.00%
56	8.00%	6.00%	5.00%	2.00%
57	8.00%	6.00%	5.00%	2.00%
58	8.00%	6.00%	5.00%	2.00%
59	8.00%	6.00%	5.00%	2.00%
60	8.00%	6.00%	5.00%	2.00%
61	8.00%	6.00%	5.00%	2.00%
62	8.00%	6.00%	5.00%	2.00%
63	8.00%	6.00%	5.00%	2.00%
64	8.00%	6.00%	5.00%	2.00%
65+	8.00%	6.00%	5.00%	2.00%

Table 2
Withdrawal Rates – Nonunion Participants

Age	Years of Service			
	0	1	2	3+
<28	12.00%	10.00%	8.00%	12.00%
29	12.00%	10.00%	8.00%	11.50%
30	12.00%	10.00%	8.00%	10.80%
31	12.00%	10.00%	8.00%	10.20%
32	12.00%	10.00%	8.00%	9.60%
33	12.00%	10.00%	8.00%	9.00%
34	12.00%	10.00%	8.00%	8.50%
35	12.00%	10.00%	8.00%	7.90%
36	12.00%	10.00%	8.00%	7.40%
37	12.00%	10.00%	8.00%	6.90%
38	12.00%	10.00%	8.00%	6.50%
39	12.00%	10.00%	8.00%	6.00%
40	12.00%	10.00%	8.00%	5.60%
41	12.00%	10.00%	8.00%	5.20%
42	12.00%	10.00%	8.00%	4.90%
43	12.00%	10.00%	8.00%	4.50%
44	12.00%	10.00%	8.00%	4.20%
45	12.00%	10.00%	8.00%	3.90%
46	12.00%	10.00%	8.00%	3.60%
47	12.00%	10.00%	8.00%	3.40%
48	12.00%	10.00%	8.00%	3.10%
49	12.00%	10.00%	8.00%	2.90%
50	12.00%	10.00%	8.00%	2.70%
51	12.00%	10.00%	8.00%	2.60%
52	12.00%	10.00%	8.00%	2.40%
53	12.00%	10.00%	8.00%	2.30%
54	12.00%	10.00%	8.00%	2.20%
55	12.00%	10.00%	8.00%	2.20%
56	12.00%	10.00%	8.00%	2.10%
57	12.00%	10.00%	8.00%	2.10%
58	12.00%	10.00%	8.00%	2.00%
59	12.00%	10.00%	8.00%	2.00%
60	12.00%	10.00%	8.00%	1.90%
61	12.00%	10.00%	8.00%	1.90%
62	12.00%	10.00%	8.00%	1.80%
63	12.00%	10.00%	8.00%	1.70%
64	12.00%	10.00%	8.00%	1.60%
65+	12.00%	10.00%	8.00%	1.50%

Table 3
Retirement Rates—NiSource, Subsidiary and Kokomo Union Pension Plan Participants

Age	Final Average Pay Participants ¹ and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	10.00%	10.00%	2.00%
56	10.00%	10.00%	2.00%
57	10.00%	10.00%	2.00%
58	10.00%	10.00%	2.00%
59	10.00%	10.00%	2.00%
60	10.00%	40.00%	5.00%
61	10.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66	50.00%	50.00%	100.00%
67	50.00%	50.00%	100.00%
68	50.00%	50.00%	100.00%
69	50.00%	50.00%	100.00%
70+	100.00%	100.00%	100.00%

¹ NiSource union participants who are under age 60 and who have greater than 85 points have assumed retirement rates of 15.00% per year.

Table 4
Retirement Rates—Columbia Pension Plan Participants

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
55		15.00%	2.00%
56		7.00%	2.00%
57		7.00%	2.00%
58		10.00%	2.00%
59		10.00%	2.00%
60		20.00%	5.00%
61		20.00%	5.00%
62		20.00%	25.00%
63		20.00%	10.00%
64		30.00%	10.00%
65		50.00%	50.00%
66		35.00%	100.00%
67		35.00%	100.00%
68		35.00%	100.00%
69+		100.00%	100.00%

Table 5
Retirement Rates—Bay State Nonunion and Union Pension Plan Participants

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	2.00%	5.00%	2.00%
56	2.00%	5.00%	2.00%
57	2.00%	5.00%	2.00%
58	2.00%	5.00%	2.00%
59	2.00%	5.00%	2.00%
60	5.00%	30.00%	5.00%
61	5.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66+	100.00%	100.00%	100.00%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource Inc. selected the economic, demographic, and health care claim cost assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and accumulated postretirement benefit obligation is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in health claims and/or pay and the effect of retiree contributions and Medicare reimbursement, as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The service cost is the present value of projected benefits that are attributed to the 2012 fiscal year, reflecting the effect of assumed future health care claim costs. The service cost includes interest to the end of the measurement period at the ASC 715 discount rate.

The net periodic postretirement cost/(income) is the annual amount to be recognized in the income statement as the cost of benefits for this plan for the period ending December 31, 2012.

Settlement/curtailment cost/(income) is the amount to be recognized in the income statement as the cost of special events such as settlements, curtailments, and the provision of certain termination benefits during fiscal 2012.

Plan Provisions

Summary of Post-65 Medical Plan Provisions

This section highlights the key post-65 medical plan provisions reflected in the December 31, 2012 measurement.

Eligibility for Participation	Immediate. Groups excluded from coverage are noted in table below.
Eligibility for Benefits	Age 55 and 10 years of service.
Continuation to Spouses of Deceased Retirees	Coverage continues until death of spouse or until spouse remarries.
Available Coverage ¹	Medicare Supplement NIPSCO Union Medicare Supplement MAP MAP (Medical Only) BSG Med Supp BSG Med Supp (Medical Only) BSG Med Supp Multiunion Medigap Supplement Keystone Blue West PA—Central
Medical Plan Options	See table below.
Cost-Sharing	See table below.

¹ For detail on specific plan benefit provisions, see applicable NiSource plan documents.

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
101	All Nonunion Exempt Full-Time retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt Full-Time retired on or after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
101A	Bay State Nonunion retired on or before 01/01/2002	BSG Med Supp BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
101B	Bay State Nonunion retired after 01/01/2002 and age 45 or older as of 01/01/1992 and hired before 09/01/1990 and elected retiree medical coverage and waived special saving plans match	BSG Med Supp BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
101C	Bay State Nonunion retired between 01/01/2002 and 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101D	CEG Nonunion retired before 01/01/1993	MAP MAP—Med Only	50% of premium	\$96.40 monthly for retiree only	N/A	N/A
101E	CEG Nonunion retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA—Central	50% of premium (100% of premium for Keystone Blue)	\$96.40 monthly for retiree only	N/A	N/A
101F	CEG Nonunion retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	MAP MAP—Med Only	50% of premium	\$96.40 monthly for retiree only	N/A	N/A



Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
101G	Columbia Nonunion—2002 ERW/VSP Age 50–52 (Salary continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
101H	Columbia Nonunion 2002— ERW/VSP Group Age 53–55, retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	50% of premium	\$96.40 monthly for retiree only	N/A	N/A
101I	Kokomo Nonunion retired before 01/01/2002	Medicare Supplement	100% of premium	N/A	N/A	N/A
101J	Kokomo Nonunion retired between 01/01/2002 and 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101K	NiSource Nonunion retired on or before 02/01/1997	Medicare Supplement	100% of premium	N/A	N/A	N/A
101L	NiSource Nonunion retired after 02/01/1997 and before 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101M	NIFL retired before 01/01/2002	Medigap Supplement	100% of premium	N/A	N/A	N/A
101N	NIFL retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	Medigap Supplement	100% of premium	N/A	N/A	N/A
101O	NIFL retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	Medicare Supplement	100% of premium	N/A	N/A	N/A

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
102	All Nonunion Exempt Part-Time retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt Part-Time retired on or after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
102D	Columbia Nonunion—2002 ERW/VSP Age 50–52 Part-Time	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
104	All Nonunion Exempt Full-Time retired on or after 02/01/2006 but hired before 01/01/2010	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
105	All Nonunion Exempt Part-Time retired on or after 02/01/2006 but hired before 01/01/2010	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
106	All Nonunion Exempt Full-Time hired after 01/01/2010	No coverage	No coverage	N/A	N/A	N/A
107	All Nonunion Exempt Part-Time hired after 01/01/2010	No coverage	No coverage	N/A	N/A	N/A
108	All Nonunion Non-Exempt Full-Time hired on or after 01/01/2013	No coverage	No coverage	N/A	N/A	N/A
109	All Nonunion Non-Exempt Part-Time hired on or after 01/01/2013	No coverage	No coverage	N/A	N/A	N/A



Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
132	Special 4th Quarter VSP retired before 02/01/2004	Medicare Supplement	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
221	NIPSCO Union retired prior to 01/01/2005	NIPSCO Union Medicare Supplement	100% of premium	N/A	N/A	N/A
221Y05	NIPSCO Union retiring after 01/01/2005 but hired before 06/01/2004	NIPSCO Union Medicare Supplement	77% of premium	N/A	N/A	\$35 per month for retiree only
221Y14	NIPSCO Union hired on or after 06/01/2004 but before 06/01/2009	NIPSCO Union Medicare Supplement	70% of premium	N/A	N/A	\$35 per month for retiree only
226	NIPSCO Union hired on or after 06/01/2009	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	\$35 per month for retiree only
321	NIFL Union retired on or after 01/01/2006	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
621	CEG Union Full-Time retired after 01/01/2004 but hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only Keystone Blue West PA— Central	Defined Dollar \$60 x service retiree \$40 x service spouse (100% of premium for Keystone Blue)	N/A	\$450 annually for retiree only	N/A
621A	CEG Union retired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA— Central	50% of premium (100% of premium for Keystone Blue)	\$96.40 monthly for retiree only	N/A	N/A
621B	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA— Central	50% of premium (100% of premium for Keystone Blue)	\$96.40 monthly for retiree only	N/A	N/A



Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
621C	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	MAP MAP—Med Only	50% of premium	\$96.40 monthly for retiree only	N/A	N/A
621D	CEG Union—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
621E	CEG Union—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	MAP MAP—Med Only	50% of premium	\$96.40 monthly for retiree only	N/A	N/A
622	CEG Union Part-Time retired after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
622C	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/2003	MAP MAP—Med Only	50% of premium	N/A	N/A	N/A
623	CEG Union Full-Time hired on or after 01/01/2013	No coverage	No coverage	N/A	N/A	N/A
624	CEG Union Part-Time hired on or after 01/01/2013	No coverage	No coverage	N/A	N/A	N/A
721Y05	Kokomo Union Outside (majority) retired after 01/01/2005	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
821	Bay State Union Brockton Physical hired before 1/1/2013 and does not meet requirements of 821A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
821A	Bay State Union Brockton Physical hired before 03/01/1991 and age 45 on 09/01/1991	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
822	Bay State Union Brockton C/T and does not meet requirements of 822A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
822A	Bay State Union Brockton C/T hired before 10/01/1990 and age 45 by 01/01/1992	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
823	Bay State Union Granite retired after 01/01/2004	No Coverage	No coverage	N/A	N/A	N/A
823A	Bay State Union Granite hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
824	Bay State Union Lawrence retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	No Coverage	No coverage	N/A	N/A	N/A
824A	Bay State Union Lawrence hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
824Y13	Bay State Union Lawrence hired before 1/1/2013 and retired on or after 01/01/2013	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A



Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
825	Bay State Union Northhampton hired after 06/18/1999	No Coverage	No coverage	N/A	N/A	N/A
825A	Bay State Union Northhampton hired before 06/18/1999 and at least age 45 on 01/01/1993	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
825B	Bay State Union Northhampton hired before 06/18/1999 and not age 45 on 01/01/1993 and retired before 01/01/2013	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
825B13	Bay State Union Northhampton hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2013	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
826	Bay State Union Portland retired after 01/01/2004 and does not meet requirements of 826A	No coverage	No coverage	N/A	N/A	N/A
826A	Bay State Union Portland hired before 04/01/1991 and age 45 by 04/01/1991	BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
827	Bay State Union Portsmouth hired after 06/04/1999	No coverage	No coverage	N/A	N/A	N/A
827A	Bay State Union Portsmouth hired before 06/04/1999 and age 45 on 01/01/1993	BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A



Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NI Source Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
827B	Bay State Union Portsmouth hired before 06/04/1999 and not age 45 on 01/01/1993	BSG Med Supp MultiUnion	Up to \$225 per month	N/A	N/A	N/A
828	Bay State Union Springfield Physical hired after 05/14/1999	No coverage	No coverage	N/A	N/A	N/A
828A	Bay State Union Springfield Physical hired before 05/14/1999 and at least age 45 on 01/01/1993	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
828B	Bay State Union Springfield Physical hired before 05/14/1999 and not age 45 on 01/01/1993	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
829	Bay State Union Springfield C/T retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	No coverage	No coverage	N/A	N/A	N/A
829A	Bay State Union Springfield C/T hired before 10/01/1990 and age 45 by 01/01/1992	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
829Y08	Bay State Union Springfield C/T retired after 01/01/2008 and retired before 01/01/2011 and does not meet the requirements of 829A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A



Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
829Y11	Bay State Union Springfield C/T hired before 1/1/2011 and retired after 01/01/2011 and does not meet the requirements of 829A	BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A



Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes:

- A change to reflect lifetime medical coverage for surviving spouses of Bay State union retirees.

Consulting
Retirement

Actuarial Valuation Report

NiSource Inc.

Pre-65 Medical Benefits

Accounting Information Under ASC Topic 715

As of December 31, 2012

Introduction

This report documents the results of the December 31, 2012 actuarial valuation of the Pre-65 Medical Benefits for the plan sponsor and for NiSource Inc. The information provided in this report is intended strictly for documenting:

- Postretirement welfare benefit cost for the 2013 fiscal year
- Information relating to company and plan disclosure and reporting requirements

Determinations for purposes other than financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and/or its audit partners prior to the issuance of this report. The financial accounting information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, health care claim cost, and asset information supplied by NiSource Inc. and its health plans as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

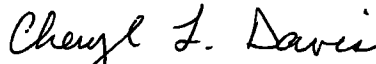
The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. Each significant assumption used in this actuarial valuation represents, in our opinion, a reasonable expectation of anticipated experience under the plan.

The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

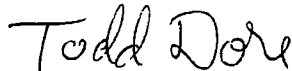
To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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Accounting Requirements



Fair Value of Assets

Fair Value of Assets, January 1, 2012	\$	119,669,810
Cash Contributions, Year Ended December 31, 2012		30,182,716
Net Benefit Payments, Year Ended December 31, 2012		(27,790,965)
Investment Return, Net of Expenses, Year Ended December 31, 2012		<u>17,367,148</u>
Fair Value of Assets, December 31, 2012	\$	139,428,709

ASC 715 Postretirement Welfare Benefit Cost/(Income)

	Fiscal 2012	Fiscal 2013
Service Cost	\$ 6,072,521	\$ 6,574,782
Interest Cost	\$ 12,996,455	\$ 8,402,004
Expected Return on Assets	\$ (9,729,145)	\$ (11,123,157)
Amortization of:		
Transition (Asset)/Obligation	\$ 246,073	\$ 116,294
Prior Service Cost	103,195	(566,298)
Net (Gain)/Loss	<u>2,461,519</u>	<u>2,852,583</u>
Total	\$ 2,810,787	\$ 2,402,579
Net Periodic Postretirement Benefit cost/(Income)	\$ 12,150,618	\$ 6,256,208
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 12,150,618	\$ 6,256,208
Key Assumptions		
Discount Rate	4.88%	3.31%
Expected Long-Term Rate of Return	8.16%	8.17%
Health Care Trend Rates		
Trend for Next Year/Ultimate Trend	7.50%/5.00%	7.25%/5.00%
Year Ultimate Trend Reached	2017	2018
Additional Information		
Assumed Expenses in Service Cost (if \$0, Rate of Return is Assumed Net of Expenses)	\$	0
Expected Benefit Payments	\$	27,417,578
Expected Contributions	\$	20,852,883
Expected Retiree Drug Subsidy Reimbursement	\$	0
Market-Related Value of Assets		\$139,428,709
Average Remaining Service		12.01 years



Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2011	Disclosed December 31, 2012
Accumulated Postretirement Benefit Obligation	\$ (272,828,043)	\$ (267,545,798)
Fair Value of Assets	<u>119,669,810</u>	<u>139,428,709</u>
Funded Status	\$ (153,158,233)	\$ (128,117,089)
Amounts Recognized in Accumulated Other Comprehensive Income:		
Net Transition (Asset)/Obligation	362,366	116,294
Prior Service Cost	(1,054,440)	(6,179,217)
Net (Gain)/Loss	<u>62,652,314</u>	<u>61,014,117</u>
Amount Recognized in Retained Earnings	(91,197,993)	\$ (73,165,895)
Accumulated Other Comprehensive Income	<u>61,960,240</u>	<u>54,951,194</u>
Recognized Asset/(Liability)	\$ (153,158,233)	\$ (128,117,089)

ASC 715 Amortization of Net (Gain)/Loss

ASC 715-60-35-29 describes a minimum amortization requirement for net gains and losses that reflects a corridor based on 10% of the greater of the accumulated postretirement benefit obligation or the market-related value of assets. The following presents the calculation of the portion, if any, of net gain or loss that was included in the net periodic postretirement benefit cost/(income).

	January 1, 2013
Unrecognized Net (Gain)/Loss	\$ 61,014,117
Fair Value of Plan Assets	139,428,709
Market-Related Value of Assets (MRVA)	<u>(139,428,709)</u>
Net (Gain)/Loss Subject to Corridor	\$ 61,014,117
Accumulated Postretirement Benefit Obligation (APBO)	\$ 267,545,798
(Gain)/Loss Corridor, 10% of Greater of APBO or MRVA	\$ 26,754,580
Net (Gain)/Loss Subject to Amortization	\$ 34,259,537
Average Remaining Service to Retirement	12.01 years
Amortization of Net (Gain)/Loss	\$ 2,852,583

Schedule of Other ASC 715 Amortization Amounts

The following tables summarize the amortization schedules for the Prior Service Cost and Net Transition (Asset)/Obligation.

Amortization Amounts of Prior Service Cost

Description	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
NIPSCO	\$ (477,115)	6.79	\$ (3,239,611)
Columbia	244,632	6.75	1,651,260
Columbia	18,465	7.29	134,609
BSNU	12,456	3.75	46,709
BSNU	463	8.19	3,791
BSU	4,586	1.00	4,586
BSU	12,376	6.41	79,327
BSU	14,165	7.55	106,946
BSU	251	9.12	2,290
BSU	108,254	9.12	987,276
NIFL	8,004	2.75	22,009
NIFL	1,312	3.75	4,919
NIFL	2,888	7.46	21,542
NIFL	1,497	12.12	18,144
Kokomo	6,124	6.75	41,318
Kokomo	9,019	9.05	81,625
Kokomo	276	10.62	2,930
Kokomo	6,915	11.06	76,479
Pre 65 - All	(540,866)	11.51	(6,225,366)
Total	\$ (566,298)		\$ (6,179,217)

Amortization Amounts of Net Transition (Asset)/Obligation

Description	Amortization Amount	Years Remaining January 1, 2013	Outstanding Balance
Pre 65 Medical	\$ 116,294	1.00	\$ 116,294

ASC 715 Disclosure

This disclosure is presented in the format described in ASC 715-20.

	Fiscal 2011	Fiscal 2012
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 269,359,459	\$ 272,828,043
Service Cost	5,388,056	6,072,521
Interest Cost	13,704,565	12,996,455
Plan Amendments	(697,306)	(5,021,582)
Actuarial (Gain)/Loss	17,143,330	8,461,326
Plan Participant Contributions	4,276,130	3,880,936
Actual Benefits Paid	(36,346,191)	(31,671,901)
Retiree Drug Subsidy Reimbursement	0	0
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 272,828,043	\$ 267,545,798
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 121,453,742	\$ 119,669,810
Actual Return on Plan Assets	(115,988)	17,367,148
Employer Contributions	30,402,117	30,182,716
Plan Participant Contributions	4,276,130	3,880,936
Actual Benefits Paid	(36,346,191)	(31,671,901)
Fair Value of Plan Assets, End of Year	\$ 119,669,810	\$ 139,428,709
Funded Status of the Plan	\$ (153,158,233)	\$ (128,117,089)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(153,158,233)	(128,117,089)
Net Asset/(Liability) at End of Year	\$ (153,158,233)	\$ (128,117,089)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 362,366	\$ 116,294
Prior Service Cost/(Credit)	(1,054,440)	(6,179,217)
Net Actuarial (Gain)/Loss	62,652,314	61,014,117
Total	\$ 61,960,240	\$ 54,951,194



ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Components of Net Periodic Benefit Cost		
Service Cost	\$ 5,388,056	\$ 6,072,521
Interest Cost	13,704,565	12,996,455
Expected Return on Assets	(9,979,302)	(9,729,145)
Amortization of:		
Transition (Asset)/Obligation	250,570	246,073
Prior Service cost/(Credit)	(39,561)	103,195
Net (Gain)/Loss	<u>2,305,238</u>	<u>2,461,519</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 11,629,566	\$ 12,150,618
Settlement/Curtailment Cost/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Cost/(Income)	\$ 11,629,566	\$ 12,150,618

Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income

Net Actuarial (Gain)/Loss	\$ 27,238,620	\$ 823,323
Prior Service Cost/(Credit)	(697,306)	(5,021,582)
Amortization of:		
Transition (Asset)/Obligation	(250,570)	(246,073)
Prior Service Cost/(Credit)	39,561	(103,195)
Actuarial (Gain)/Loss	<u>(2,305,238)</u>	<u>(2,461,519)</u>
Total Recognized in Other Comprehensive Income	\$ 24,025,067	\$ (7,009,046)

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the following fiscal year are as follows:

Net Transition (Asset)/Obligation	\$ 116,294
Prior Service Cost/(Credit)	\$ (566,298)
Net Actuarial (Gain)/Loss	\$ 2,852,583

ASC 715 Disclosure

	Fiscal 2011	Fiscal 2012
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.88%	3.31%
Health care Trend Rates		
Trend for Next Year	7.50%	7.25%
Ultimate Trend Rate	5.00%	5.00%
Year Ultimate Trend Reached	2017	2018
Measurement Date	December 31, 2011	December 31, 2012
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	5.29%	4.88%
Expected Long-Term Rate of Return	8.31%	8.16%
Health Care Trend Rates		
Trend for Next Year	8.00%	7.50%
Ultimate Trend Rate	5.00%	5.00%
Year Ultimate Trend Reached	2017	2017
Impact of a 1% Increase in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ 13,262,000	\$ 14,938,000
On Service Cost and Interest Cost for Year	\$ 1,297,000	\$ 1,369,000
Impact of a 1% Decrease in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ (12,804,000)	\$ (13,253,000)
On Service Cost and Interest Cost for Year	\$ (1,223,000)	\$ (1,175,000)

ASC 715 Disclosure

	Fiscal 2012	
Estimated Future Benefit Payments		
2013 Payouts	\$	27,420,000
2014 Payouts	\$	26,250,000
2015 Payouts	\$	25,070,000
2016 Payouts	\$	24,260,000
2017 Payouts	\$	23,430,000
2018 to 2022 Payouts	\$	111,350,000
Estimated Future Retiree Drug Subsidy Reimbursements		
2013 Payouts	\$	0
2014 Payouts	\$	0
2015 Payouts	\$	0
2016 Payouts	\$	0
2017 Payouts	\$	0
2018 to 2022 Payouts	\$	0
Expected Fiscal Year 2013 Contributions	\$	20,900,000

Alternative Amortization Method

As permitted under ASC 715-60-35-18, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan.



Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2012. Following are some of the pertinent characteristics from the personnel data as of that date. Both age and service have been determined using years and months as of the valuation date.

January 1, 2012

Active participants

Number	7,607
Average age	47.2
Average service	17.8

Inactive participants

Retirees and surviving spouses	2,195
Average current age	61.9

Covered spouses	1,853
Average current age	60.2

Total participants

Number	11,655

Health Care Claims Development

Self-insured premium equivalents, fully-insured premiums, and enrollment were used to develop average per capita claim costs by age.

Development of Self-Insured Premium Equivalents

Separate projections were performed for pre- and post-65 plans. For Pre-65 projections, 24 months of paid claim and enrollment data (January 2010 – December 2011) was used. The data was separated into two experience periods (calendar year). For each experience period, paid claims were divided by enrollment. The per-employee claims were then trended to 2012.

Finally, an adjustment was made to account for any plan design changes, and applicable administration fees were then added to calculate the average self-insured premium equivalent for each plan.

For Post-65 projections 36 months of paid claim and enrollment data (January 2009 – December 2011) was used. The data was separated into three experience periods (calendar year). For each experience period, paid claims were divided by enrollment. The per-employee claims were then trended to 2012.

Adjustments to Fully-Insured Premium

For pre-65 participants, the fully-insured premium applies to active employees and retirees. For each plan, the true retiree costs were developed using the active and retiree enrollment and age distributions and age grading assumptions. For post-65 participants, this adjustment was not required.

The self-insured premium equivalents were then enrollment weighted with the adjusted fully-insured premiums to develop the average per capita claims cost.

Health Care Claims Development

2012 Health Care Claims

The annual per capita claim costs for 2012 are as follows at age 61 for pre-65 retirees and age 74 for post-65 retirees:

	Pre-65 Active/Retiree Blended ¹	Pre-65 Retiree Only ²
Anthem Kentucky	6,818	7,579
Carelink Health Plans	6,814	8,493
Harvard Pilgrim HMO	10,121	12,448
Health America – Pittsburgh	5,357	6,841
Health New England HMO	5,925	8,905
High Deductible PPO 1	2,632	4,041
High Deductible PPO 2	2,237	3,627
Kaiser Permanente	6,397	8,245
Keystone Health Plan – Central	7,209	9,255
Kokomo PPO	10,042	10,042
NIPSCO PPO	7,494	9,716
Optimum Choice	7,378	9,126
PPO	6,669	8,647
Southern Health HMO	7,295	10,031
Tufts HMO	7,471	10,293

	Post-65	Part D Reimbursement
Medicare Supplement - Flex	\$ 2,090	N/A
Medicare Supplement – NIPSCO	\$ 2,082	N/A
MAP	\$ 4,301	\$ 697
MAP (Medical Only)	\$ 1,424	N/A
BSG Med Supp Multi Union	\$ 2,054	N/A
BSG Med Supp	\$ 4,897	\$ 593
BSG Med Supp (Medical Only)	\$ 2,054	N/A
Medigap Supplement	\$ 4,500	\$ 631
Keystone Health Plan - Central	\$ 5,472	N/A

¹ Defined dollar subsidy applied against this amount. For valuation purposes, claims were created by operating unit based on current retiree enrollment.

² Excess of this amount over active/retiree blended amount is provided by NiSource. For valuation purposes, claims were created by operating unit based on current retiree enrollment.

Actuarial Assumptions and Methods

For ASC 715 Requirements

Measurement date	December 31
Employees included	All active and disabled participants who are eligible to eventually receive postretirement welfare benefits, and all retirees and dependents currently covered are included
Full eligibility date	
Health care	
Participants without defined dollar	Age 55 with 10 years of service
Defined dollar participants	Assumed retirement age, because benefit accrues with service
Life insurance	Age 55 with 10 years of service
Census data	The data is as of January 1, 2012 and the liabilities have been rolled forward to the measurement date
Discount rate	
Pre-65 Medical	3.31%
Post-65 Medical	4.21%
NIPSCO Union Life Insurance	4.33%
All Other Life Insurance	4.43%
Expected long-term rate of return on assets	
Nonunion	7.90%
Union and 401(h)	8.30%
Health care cost trend rates	The trend rates of incurred claims represent the rate of increase in employer claim payments and administrative costs
	7.75% in 2012, grading down to 5% for 2018 and later years
Retiree contribution increases	Equal to health care cost trend rates (except as noted with employer subsidy cap)

For ASC 715 Requirements

Mortality rates (Healthy)	RP-2000 combined healthy fully generational mortality table using Scale AA																				
Mortality rates (Disabled)	RP-2000 disabled mortality table																				
Withdrawal rates																					
Union participants	See Table 1																				
Nonunion participants	See Table 2																				
Disability rates	Rates not used. Only current disabled employees have been included																				
Retirement age	Based on pension plan participation as follows:																				
NiSource, Subsidiary and Kokomo																					
Union Plans	See Table 3																				
Columbia Plan	See Table 4																				
Bay State Nonunion and Union Plans	See Table 5																				
Active employee dependent coverage	80% of male participants and 40% of female participants are assumed to be married and elect coverage for their spouses. Wives are assumed to be three years younger than their husbands.																				
Future retiree coverage elections	Election of future pre-65 retiree health care plan is based on current election patterns for actives. For post-65 coverage, all employees are assumed to elect the Medicare Supplement Plan except Bay State Union employees who are eligible for either the BSG MedSupp plan or the BSG MedSupp Multiunion plan.																				
Future retiree medical participation percentage																					
Retirees with defined dollar subsidy	<table><tr><td></td><th colspan="3">Years of Service</th></tr><tr><th>Retire In</th><th>10-19</th><th>20-29</th><th>30+</th></tr><tr><td>2006 – 2021</td><td>70%</td><td>80%</td><td>90%</td></tr><tr><td>2022 – 2031</td><td>60%</td><td>70%</td><td>80%</td></tr><tr><td>2032+</td><td>50%</td><td>60%</td><td>70%</td></tr></table>		Years of Service			Retire In	10-19	20-29	30+	2006 – 2021	70%	80%	90%	2022 – 2031	60%	70%	80%	2032+	50%	60%	70%
	Years of Service																				
Retire In	10-19	20-29	30+																		
2006 – 2021	70%	80%	90%																		
2022 – 2031	60%	70%	80%																		
2032+	50%	60%	70%																		
RBPs 221Y05 and 221Y14	90%																				
RBPs 821A, 822A, 823A, 824A	100%																				
825A, 825B13, 826A, 827A, 825B, 827B, 828A, 828B and 829A																					

For ASC 715 Requirements

Retiree medical lapse rates

RBPs 101A, 101B, 101C, 101M, 101N, 221, 221Y05, 221Y14, 821A, 822A, 823A, 824A, 825A, 825B, 825B13, 826A, 827A, 827B, 828A, 828B and 829A	None
RBPs 101I, 101J, 101K, 101L, and 101O	Approximately 1% of retirees do not re-elect coverage per year for pre-65 retiree medical only
RBPs 101D, 101E, 101F, 101H, 621A, 621B, 621C, 621E, and 622C	Approximately 2% of retirees do not re-elect coverage per year for post-65 retiree medical only
Retirees with defined dollar subsidy	Approximately 1% of retirees do not re-elect coverage per year for pre-65 retiree medical, and 2% of retirees do not re-elect coverage per year for post-65 retiree medical. In addition, 10% of retirees are assumed to lapse coverage at age 65.

Aging

Attained Age	Annual Increases
55 – 64	4%
65 – 69	3%
70 – 74	2%
75 – 79	1%
80+	0%

Aging affects medical and drug claim costs and administration costs

For ASC 715 Requirements

Actuarial cost method

Unit credit (prorated on service) cost method. Costs are prorated over the attribution period, which is defined as the period from date of hire to the full eligibility date.

Administrative expenses

Included in per capita claim costs.

Health care claim amounts

See health care claims development section.

Health care reform excise tax

For NiSource, we examined the effect of the excise tax for each plan and group (non-union and union). We examined the costs separately for single and married retirees. For each of these coverage categories, the pre-65 premiums were used to estimate the excise tax by comparing them to the projected excise tax thresholds. The excess of premiums over the thresholds is subject to the excise tax, and the resulting 40% excise tax, and a tax gross-up assuming a health plan tax rate of 35% was incorporated in the benefit obligation.

The premiums were projected using the health care cost trend rate assumptions as of December 31, 2012. The thresholds as defined by law were then increased with CPI+1% in 2019 and CPI for years after 2019. For long-term annual CPI, we assumed 3.0%.

Post-65 is examined separately and it was determined that there was no material impact on the NiSource liability for post-65.

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation does not reflect any method changes.

Assumption Changes

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate from 4.88% to 3.31%.
- A change in retirement rates for NiSource, Columbia, Subsidiaries, and Kokomo Union final average pay pension participants to better reflect plan experience.
- A change in termination rates for both Union and Nonunion participants to better reflect plan experience.
- A change in the health care trend rates from 8.00% in 2011 grading down to 5.00% in 2017 to 7.75% in 2012 grading down to 5.00% in 2018.
- A change in the accounting basis from twelve plans (six retiree medical and six retiree life insurance) to four plans (two retiree medical and two retiree life insurance) to better align with the true legal plan basis. Accordingly, certain prior period values that were not originally developed on this revised plan basis have been estimated.

Table 1
Withdrawal Rates – Union Participants

Age	Years of Service			
	0	1	2	3+
≤21	9.60%	9.60%	9.60%	9.60%
22	9.00%	9.00%	9.00%	9.00%
23	8.60%	8.60%	8.60%	8.60%
24	8.00%	8.00%	8.00%	8.00%
25	8.00%	7.60%	7.60%	7.60%
26	8.00%	7.20%	7.20%	7.20%
27	8.00%	6.60%	6.60%	6.60%
28	8.00%	6.20%	6.20%	6.20%
29	8.00%	6.00%	5.80%	5.80%
30	8.00%	6.00%	5.60%	5.60%
31	8.00%	6.00%	5.20%	5.20%
32	8.00%	6.00%	5.00%	4.80%
33	8.00%	6.00%	5.00%	4.40%
34	8.00%	6.00%	5.00%	4.20%
35	8.00%	6.00%	5.00%	3.80%
36	8.00%	6.00%	5.00%	3.60%
37	8.00%	6.00%	5.00%	3.40%
38	8.00%	6.00%	5.00%	3.20%
39	8.00%	6.00%	5.00%	3.00%
40	8.00%	6.00%	5.00%	2.80%
41	8.00%	6.00%	5.00%	2.60%
42	8.00%	6.00%	5.00%	2.40%
43	8.00%	6.00%	5.00%	2.40%
44	8.00%	6.00%	5.00%	2.20%
45	8.00%	6.00%	5.00%	2.20%
46	8.00%	6.00%	5.00%	2.00%
47	8.00%	6.00%	5.00%	2.00%
48	8.00%	6.00%	5.00%	2.00%
49	8.00%	6.00%	5.00%	2.00%
50	8.00%	6.00%	5.00%	2.00%
51	8.00%	6.00%	5.00%	2.00%
52	8.00%	6.00%	5.00%	2.00%
53	8.00%	6.00%	5.00%	2.00%
54	8.00%	6.00%	5.00%	2.00%
55	8.00%	6.00%	5.00%	2.00%
56	8.00%	6.00%	5.00%	2.00%
57	8.00%	6.00%	5.00%	2.00%
58	8.00%	6.00%	5.00%	2.00%
59	8.00%	6.00%	5.00%	2.00%
60	8.00%	6.00%	5.00%	2.00%
61	8.00%	6.00%	5.00%	2.00%
62	8.00%	6.00%	5.00%	2.00%
63	8.00%	6.00%	5.00%	2.00%
64	8.00%	6.00%	5.00%	2.00%
65+	8.00%	6.00%	5.00%	2.00%

Table 2
Withdrawal Rates – Nonunion Participants

Age	Years of Service			
	0	1	2	3+
<28	12.00%	10.00%	8.00%	12.00%
29	12.00%	10.00%	8.00%	11.50%
30	12.00%	10.00%	8.00%	10.80%
31	12.00%	10.00%	8.00%	10.20%
32	12.00%	10.00%	8.00%	9.60%
33	12.00%	10.00%	8.00%	9.00%
34	12.00%	10.00%	8.00%	8.50%
35	12.00%	10.00%	8.00%	7.90%
36	12.00%	10.00%	8.00%	7.40%
37	12.00%	10.00%	8.00%	6.90%
38	12.00%	10.00%	8.00%	6.50%
39	12.00%	10.00%	8.00%	6.00%
40	12.00%	10.00%	8.00%	5.60%
41	12.00%	10.00%	8.00%	5.20%
42	12.00%	10.00%	8.00%	4.90%
43	12.00%	10.00%	8.00%	4.50%
44	12.00%	10.00%	8.00%	4.20%
45	12.00%	10.00%	8.00%	3.90%
46	12.00%	10.00%	8.00%	3.60%
47	12.00%	10.00%	8.00%	3.40%
48	12.00%	10.00%	8.00%	3.10%
49	12.00%	10.00%	8.00%	2.90%
50	12.00%	10.00%	8.00%	2.70%
51	12.00%	10.00%	8.00%	2.60%
52	12.00%	10.00%	8.00%	2.40%
53	12.00%	10.00%	8.00%	2.30%
54	12.00%	10.00%	8.00%	2.20%
55	12.00%	10.00%	8.00%	2.20%
56	12.00%	10.00%	8.00%	2.10%
57	12.00%	10.00%	8.00%	2.10%
58	12.00%	10.00%	8.00%	2.00%
59	12.00%	10.00%	8.00%	2.00%
60	12.00%	10.00%	8.00%	1.90%
61	12.00%	10.00%	8.00%	1.90%
62	12.00%	10.00%	8.00%	1.80%
63	12.00%	10.00%	8.00%	1.70%
64	12.00%	10.00%	8.00%	1.60%
65+	12.00%	10.00%	8.00%	1.50%

Table 3
Retirement Rates—NiSource, Subsidiary and Kokomo Union Pension Plan Participants

Age	Final Average Pay Participants ¹ and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	10.00%	10.00%	2.00%
56	10.00%	10.00%	2.00%
57	10.00%	10.00%	2.00%
58	10.00%	10.00%	2.00%
59	10.00%	10.00%	2.00%
60	10.00%	40.00%	5.00%
61	10.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66	50.00%	50.00%	100.00%
67	50.00%	50.00%	100.00%
68	50.00%	50.00%	100.00%
69	50.00%	50.00%	100.00%
70+	100.00%	100.00%	100.00%

¹ NiSource union participants who are under age 60 and who have greater than 85 points have assumed retirement rates of 15.00% per year.

Table 4
Retirement Rates—Columbia Pension Plan Participants

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95	Account Balance Participants Hired After 1/1/95
55	15.00%	2.00%
56	7.00%	2.00%
57	7.00%	2.00%
58	10.00%	2.00%
59	10.00%	2.00%
60	20.00%	5.00%
61	20.00%	5.00%
62	20.00%	25.00%
63	20.00%	10.00%
64	30.00%	10.00%
65	50.00%	50.00%
66	35.00%	100.00%
67	35.00%	100.00%
68	35.00%	100.00%
69+	100.00%	100.00%

Table 5

Retirement Rates—Bay State Nonunion and Union Pension Plan Participants

Age	Final Average Pay Participants and Account Balance Participants Hired Before 1/1/95		Account Balance Participants Hired After 1/1/95
	<25 Years	25+ Years	
55	2.00%	5.00%	2.00%
56	2.00%	5.00%	2.00%
57	2.00%	5.00%	2.00%
58	2.00%	5.00%	2.00%
59	2.00%	5.00%	2.00%
60	5.00%	30.00%	5.00%
61	5.00%	30.00%	5.00%
62	25.00%	30.00%	25.00%
63	10.00%	30.00%	10.00%
64	10.00%	30.00%	10.00%
65	50.00%	50.00%	50.00%
66+	100.00%	100.00%	100.00%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource Inc. selected the economic, demographic, and health care claim cost assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and accumulated postretirement benefit obligation is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in health claims and/or pay and the effect of retiree contributions and Medicare reimbursement, as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The service cost is the present value of projected benefits that are attributed to the 2013 fiscal year, reflecting the effect of assumed future health care claim costs. The service cost includes interest to the end of the measurement period at the ASC 715 discount rate.

The net periodic postretirement cost/(income) is the annual amount to be recognized in the income statement as the cost of benefits for this plan for the period ending December 31, 2013.

Settlement/curtailment cost/(income) is the amount to be recognized in the income statement as the cost of special events such as settlements, curtailments, and the provision of certain termination benefits during fiscal 2013.

Plan Provisions

Summary of Pre-65 Medical Plan Provisions

This section highlights the key pre-65 medical plan provisions reflected in the December 31, 2012 measurement.

Eligibility for Participation	Immediate. Groups excluded from coverage are noted in table below.
Eligibility for Benefits	Age 55 and 10 years of service.
Continuation to Spouses of Deceased Retirees	Coverage continues until death of spouse or until spouse remarries.
Available Coverage ¹	NIPSCO Union PPO PPO Kokomo PPO HD PPO 1 HD PPO 2 Various HMOs by location
Medical Plan Options	See table below.
Cost-Sharing	See table below.

¹ For detail on specific plan benefit provisions, see applicable NiSource plan documents.



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101	All Nonunion Exempt Full-Time retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt Full-Time retired on or after 02/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
101A	Bay State Nonunion retired on or before 01/01/2002	PPO HD PPO 1 HD PPO 2 Tufts HMO Anthem BCBS NH-ME HMO	80% of "You Only" premium and 50% of premium for all other tiers until age 60, then 100% of premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101B	Bay State Nonunion retired after 01/01/2002 and age 45 or older as of 01/01/1992 and hired before 09/01/1990 and elected retiree medical coverage and waived special saving plans match	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101C	Bay State Nonunion retired between 01/01/2002 and 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of pre 65 premium, not to exceed 103% of prior year's subsidy HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101D	CEG Nonunion retired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium

¹ HD PPO 1 subject to minimum monthly contributions of \$15/\$25/\$25/\$35, additional \$20/month included in contribution allocated to HSA account; HD PPO 2 subject to minimum monthly contributions of \$5/\$10/\$10/\$15.



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101E	CEG Nonunion retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101F	CEG Nonunion retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101G	Columbia Nonunion—2002 ERW/VSP Age 50–52 (Salary continuation)	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
101H	Columbia Nonunion 2002—ERW/VSP Group Age 53–55, retired on or after 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101I	Kokomo Nonunion retired before 01/01/2002	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101J	Kokomo Nonunion retired between 01/01/2002 and 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of pre 65 premium, not to exceed 103% of prior year's subsidy HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹

¹ HD PPO 1 subject to minimum monthly contributions of \$15/\$25/\$25/\$35, additional \$20/month included in contribution allocated to HSA account; HD PPO 2 subject to minimum monthly contributions of \$5/\$10/\$10/\$15.



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101K	NiSource Nonunion retired on or before 02/01/1997	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101L	NiSource Nonunion retired after 02/01/1997 and before 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of pre 65 premium, not to exceed 103% of prior year's subsidy HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101M	NIFL retired before 01/01/2002	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Retiree pays same contribution as nonexempt nonunion actives
101N	NIFL retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Retiree pays same contribution as nonexempt nonunion actives
101O	NIFL retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of pre 65 premium, not to exceed 103% of prior year's subsidy HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
102	All Nonunion Exempt Part-Time retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt Part-Time retired on or after 02/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse

¹ HD PPO 1 subject to minimum monthly contributions of \$15/\$25/\$25/\$35, additional \$20/month included in contribution allocated to HSA account;
HD PPO 2 subject to minimum monthly contributions of \$5/\$10/\$10/\$15.



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
102D	Columbia Nonunion—2002 ERW/VSP Age 50–52 Part-Time	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
104	All Nonunion Exempt Full-Time retired on or after 02/01/2006 but hired before 01/01/2010	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
105	All Nonunion Exempt Part-Time retired on or after 02/01/2006 but hired before 01/01/2010	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
106	All Nonunion Exempt Full-Time hired after 01/01/2010	No Coverage	No Coverage
107	All Nonunion Exempt Part-Time hired after 01/01/2010	No Coverage	No Coverage
108	All Nonunion Non-Exempt Full-Time hired on or after 01/01/2013	No Coverage	No Coverage
109	All Nonunion Non-Exempt Part-Time hired on or after 01/01/2013	No Coverage	No Coverage
132	Special 4th Quarter VSP retired before 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
221	NIPSCO Union retired prior to 01/01/2005	NIPSCO Union PPO HD PPO 1 HD PPO 2	85% of active/pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
221Y05	NIPSCO Union retiring after 01/01/2005 but hired before 06/01/2004	NIPSCO Union PPO HD PPO 1 HD PPO 2	77% of active/pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
221Y14	NIPSCO Union hired on or after 06/01/2004 but before 06/01/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	70% of active/pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
226	NIPSCO Union hired on or after 06/01/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse
321	NIFL Union retired on or after 01/01/2006	PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse
621	CEG Union Full-Time retired after 01/01/2004 but hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse

¹ HD PPO 1 subject to minimum monthly contributions of \$15/\$25/\$25/\$35, additional \$20/month included in contribution allocated to HSA account;
HD PPO 2 subject to minimum monthly contributions of \$5/\$10/\$10/\$15.



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
621A	CEG Union retired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
621B	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
621C	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
621D	CEG Union—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
621E	CEG Union—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
622	CEG Union Part-Time retired after 02/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse

¹ HD PPO 1 subject to minimum monthly contributions of \$15/\$25/\$25/\$35, additional \$20/month included in contribution allocated to HSA account; HD PPO 2 subject to minimum monthly contributions of \$5/\$10/\$10/\$15.



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
622C	CEG Union retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/2003	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre 65 premium HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
623	CEG Union Full-Time hired on or after 01/01/2013	No Coverage	No Coverage
624	CEG Union Part-Time hired on or after 01/01/2013	No Coverage	No Coverage
721Y05	Kokomo Union Outside (majority) retired after 01/01/2005	Kokomo PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse
821	Bay State Union Brockton Physical hired before 1/1/2013 and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Harvard Pilgrim	Defined Dollar \$180 x service retiree \$125 x service spouse
821A	Bay State Union Brockton Physical hired before 03/01/1991 and age 45 on 09/01/1991	PPO HD PPO 1 HD PPO 2 Harvard Pilgrim	100% of premium
822	Bay State Union Brockton C/T and does not meet requirements of 822A	PPO HD PPO 1 HD PPO 2 Harvard Pilgrim	Defined Dollar \$180 x service retiree \$125 x service spouse
822A	Bay State Union Brockton C/T hired before 10/01/1990 and age 45 by 01/01/1992	PPO HD PPO 1 HD PPO 2 Harvard Pilgrim	100% of premium
823	Bay State Union Granite retired after 01/01/2004	No Coverage	No Coverage



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
823A	Bay State Union Granite hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
824	Bay State Union Lawrence retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	No Coverage	No Coverage
824A	Bay State Union Lawrence hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
824Y13	Bay State Union Lawrence hired before 1/1/2013 retired on or after 01/01/2013	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
825	Bay State Union Northhampton hired after 06/18/1999	No Coverage	No Coverage
825A	Bay State Union Northhampton hired before 06/18/1999 and at least age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Health New England HMO	100% of premium
825B	Bay State Union Northhampton hired before 06/18/1999 and not age 45 on 01/01/1993 and retired before 01/01/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
825B13	Bay State Union Northhampton hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2013	Health New England HMO	Up to \$1,100 per month
826	Bay State Union Portland retired after 01/01/2004 and does not meet requirements of 826A	No Coverage	No Coverage



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
826A	Bay State Union Portland hired before 04/01/1991 and age 45 by 04/01/1991	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
827	Bay State Union Portsmouth hired after 06/04/1999	No Coverage	No Coverage
827A	Bay State Union Portsmouth hired before 06/04/1999 and age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
827B	Bay State Union Portsmouth hired before 06/04/1999 and not age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	Up to \$1,100 per month
828	Bay State Union Springfield Physical hired after 05/14/1999	No Coverage	No Coverage
828A	Bay State Union Springfield Physical hired before 05/14/1999 and at least age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Health New England HMO	100% of premium
828B	Bay State Union Springfield Physical hired before 05/14/1999 and not age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
829	Bay State Union Springfield C/T retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	No Coverage	No Coverage
829A	Bay State Union Springfield C/T hired before 10/01/1990 and age 45 by 01/01/1992	PPO HD PPO 1 HD PPO 2 Health New England HMO Bay State Tufts HMO	100% of premium



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
829Y08	Bay State Union Springfield C/T retired after 01/01/2008 and retired before 01/01/2011 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Bay State Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
829Y11	Bay State Union Springfield C/T hired before 1/1/2011 and retired after 01/01/2011 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Bay State Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse



Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes:

- A change in the PPO design effective January 1, 2013 and January 1, 2015 for all PPO participants except NIPSCO union. This change was recognized as of December 31, 2011 for seven CEG unions who had already negotiated.
- A change to reflect lifetime medical coverage for surviving spouses of Bay State union retirees.

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. All UTILITIES

25. Submit details of expenditures for advertising (National and Institutional and Local media). Provide a schedule of advertising expense by major media categories for the test year and the prior two comparable years with respect to:
- a. Public health and safety
 - b. Conservation of energy
 - c. Explanation of Billing Practices, Rates, etc.
 - d. Provision of factual and objective data programs in educational institutions
 - e. Other advertising programs
 - f. Total advertising expense

Response:

For a schedule of advertising expense by major media categories for the twelve months ended November 30, 2012, 2013, and 2014, see Page 2.

COLUMBIA GAS OF PENNSYLVANIA, INC
ADVERTISING SUMMARY

	Period Ending 11/30/14 \$	Period Ending 11/30/13 \$	Period Ending 11/30/12 \$
<u>NEWSPAPER</u>			
a. Public Health & Safety	0	0	0
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	0	0	0
d. Institutional Programs	488	(1,095)	1,415
e. Other Advertising Programs	0	0	0
Total Newspaper Advertising Expense	488	(1,095)	1,415
<u>TELEVISION</u>			
a. Public Health & Safety	0	0	0
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	0	5,000	0
d. Institutional Programs	43,249	5,500	0
e. Other Advertising Programs	0	0	0
Total Television Advertising Expense	43,249	10,500	0
<u>RADIO</u>			
a. Public Health & Safety	0	24,483	13,963
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	29,652	37,000	25,000
d. Institutional Programs	26,750	76,667	102,120
e. Other Advertising Programs	0	0	0
Total Radio Advertising Expense	56,402	138,150	141,083
<u>MAGAZINES & MISCELLANEOUS</u>			
a. Public Health & Safety	9,398	2,583	0
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	10,451	250	0
d. Institutional Programs	160,850	18,390	22,014
e. Other Advertising Programs	0	0	0
Total Mag. & Misc. Advertising Expense	180,699	21,224	22,014
Per Books Advertising Expense	280,839	168,779	164,512
<u>BILL INSERTS & BROCHURES</u>			
a. Public Health & Safety	15,245	5,064	0
b. Conservation	0	0	15,547
c. Educational Billing, Rates, Supply, etc.	126,120	105,151	109,567
d. Institutional Programs	0	0	0
e. Other Advertising Programs	0	0	4,666
Total Bill Insert Advertising Expense	141,366	110,214	129,780
Grand Total Advertising Expense	422,204	278,993	294,292
Adjustments for non recoverable advertising	(231,338)	(99,463)	(125,549)
Normalized Expense	190,867	179,530	168,743

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

29. Submit details of information covering research and development expenditures, including major projects within the company and forecasted company programs.

Response:

In the historic test year the Company expensed \$207,674 for membership in the Gas Technology Institute to fund Operations Technology Development initiatives, as shown on Exhibit 4, Schedule 14, Page 5. An amount of \$200,000 is included as a part of Outside Services in both the Future Test Year and Fully Forecasted Rate Year for Gas Technology Institute.

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

33. Provide a labor productivity schedule.

Response:

Columbia does not conduct productivity analysis for year over year comparison purposes. The data below provides expensed Columbia labor, distribution maintenance expense, and gross distribution plant on a per customer basis for the calendar years 2007 through 2014 and per books 12 months ended November, 2014. Functional areas have moved from operating company employees to NiSource Corporate Services Employees during the period shown on the table below. These movements may distort the per customer values as shown in the table below.

(\$Thousands)	<u>Dec-07</u>	<u>Dec-08</u>	<u>Dec-09</u>	<u>Dec-10</u>
Labor Charged to Expense	\$ 22,565.6	\$ 23,881.5	\$ 24,456.5	\$ 25,204.8
Distribution Maintenance Expense	\$ 12,316.4	\$ 13,784.2	\$ 14,097.9	\$ 14,112.5
Gross Distribution Plant	\$ 799,592.2	\$ 868,249.8	\$ 912,643.8	\$ 988,860.5
Customers	409,370	410,551	410,787	412,350

Rate Per Customer

Labor Charged to Expense	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Distribution Maintenance Expense	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03
Gross Distribution Plant	\$ 1.95	\$ 2.11	\$ 2.22	\$ 2.40

(\$Thousands)	<u>Dec-11</u>	<u>Dec-12</u>	<u>Dec-13</u>	<u>Nov-14</u>
Labor Charged to Expense	\$ 24,494.3	\$ 25,686.3	\$ 26,962.2	\$ 27,513.6
Distribution Maintenance Expense	\$ 13,856.3	\$ 14,338.7	\$ 15,421.7	\$ 17,589.0
Gross Distribution Plant	\$ 1,073,240.9	\$ 1,229,206.4	\$ 1,430,731.7	\$ 1,601,471.1
Customers	413,400	414,289	416,339	418,450

Rate Per Customer

Labor Charged to Expense	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07
Distribution Maintenance Expense	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.04
Gross Distribution Plant	\$ 2.60	\$ 2.97	\$ 3.44	\$ 3.83

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

- 22 Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (Service Corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year:
- a. Supply a copy of contracts, if applicable.
 - b. Explain the nature of the services provided.
 - c. Explain basis on which charges are made.
 - d. If charges allocated, identify allocation factors used.
 - e. Supply the components and amounts comprising the expense in this account.
 - f. Provide details of initial source of charge and reason thereof.

Response:

- a. Attachment No.1, Summary of Affiliate Charge Agreements Schedule provides a list of the various contracts, and Attachments A through Z contain the contract copies.
- b. The contracts describe the nature of the services provided to Columbia Gas of Pennsylvania (CPA). The largest supplier of services, NiSource Corporate Services Company (NCSC), has service descriptions in Appendix A of Attachment H (NCSC Service Agreement).

The nature of services provided is also defined by the FERC account descriptions in Attachments 2 and 3.

- c. The contracts describe the basis on which charges are made to CPA. Appendix A of Attachment H (NCSC Service Agreement) supplies descriptions of the bases used to allocate NCSC charges.

The preferred method for billing any affiliate is "direct charge." Under this method, all labor, materials and related expenses for the benefit of a specific affiliate are billed, as incurred, directly to the affiliate; therefore, no allocations are used. An allocated charge is a charge that occurs for the benefit of two or more affiliates who share the cost in accordance with an allocation basis. Guidelines have long been established which indicate that labor time and expenses should be charged directly to the affiliate receiving the benefits. In accordance with corporate guidelines, allocations are used only when direct charging is impractical.

When it is impractical or inappropriate to charge an affiliate directly for services provided, allocation bases are utilized. Whenever a new job order is created, a decision is made cooperatively by the operating company department and/or project representative and NCSC personnel about how costs assigned to that job order will be allocated among participating affiliates and which basis will be used. Each employee then determines the appropriate job order for the services they provide by referencing the cost allocation manual or using the job order provided for projects.

- d. Provided in Table 22(d) below are the allocation bases used to allocate costs to CPA by NCSC. Appendix A of Attachment H supplies detailed descriptions of these bases. Charges labeled "Direct Billed" relate to services rendered directly to CPA as outlined in Article 3.1 in the NCSC Service Agreement in Attachment H. "NCSC Overheads" are costs related to maintaining NCSC as outlined in Article 3.3 and 3.5 in the NCSC Service Agreement in Attachment H. With respect to charges from other affiliates, allocation factors are used as discussed in response c, above.

Table 22(d) (in dollars)

<i>Basis</i>	<i>TME 11/30/13</i>	<i>TME 11/30/14 (Test Year)</i>
Basis 1	8,488,499.95	10,850,580.76
Basis 2	162,428.96	132,422.02
Basis 3	39.25	29.08
Basis 4	76,392.53	106,321.61
Basis 7	234,089.57	307,172.16
Basis 8	0	135,639.38
Basis 9	63,543.21	63,704.39
Basis 10	7,691,101.46	8,384,608.18
Basis 11	2,355,282.50	3,292,133.02
Basis 13	3,319,723.51	2,901,168.68
Basis 14	60,452.74	54,442.49
Basis 20	8,902,909.91	10,535,237.65
Direct Billed	16,365,970.06	20,157,823.21
Direct NCSC Billed	1,045,159.67	1,712,553.91
Total	48,765,593.32	58,633,836.54

- e. The FERC account descriptions and amounts charged by affiliate in Attachments 2 and 3 provide the components and amounts comprising expense by FERC Account. Additionally, Appendix A of Attachment H provides detailed descriptions of service categories and allocation bases underlying the NCSC charges.
- f. The contracts in Attachments A through Z and the detailed descriptions of service categories and allocation bases underlying the NCSC charges contained in Appendix A of Attachment H supply the initial sources and reasons associated with charges to CPA. The information provided in Attachments 2 and 3 provides additional detail regarding the initial sources and reasons associated with the charges to CPA as well.

Columbia Gas of Pennsylvania, Inc.
Summary of Affiliate Charge Agreements
For the Twelve Months Ended November 30, 2014

Exhibit No. 4
Schedule 11
Attachment 1
Page 1 of 2
Witness: K. K. Miller

ATTACHMENT	CASE NUMBER	AGREEMENT	AFFILIATE(S) NAME	DESCRIPTION OF AGREEMENT/ARRANGEMENT	COMMISSION APPROVAL DATE
A	G-00000794	Centralized Services	Columbia Gas of KY Columbia Gas of OH Columbia Gas of MD Columbia Gas of VA Columbia Gas Transmission	Service agreement for accounting, administrative, customer accounting, engineering, environmental, gas supply/transmission/distribution/storage/utilization, general, human resources, information technology, legal, marketing, regulatory and other services.	10/25/2000
B	G-00960523	Sale of Land to TCO; Lease Agreement - Somerset Service Center Building	Columbia Gas Transmission	Sale of land to TCO for TCO to construct a service center building	12/19/1996
C	G-00000825	Release of Lease Agreement; Purchase of Somerset Service Center Building	Columbia Gas Transmission	Release of lease agreement between TCO and CPA Somerset service center building; purchase of building from TCO by CPA.	12/20/2000
D	G-00030995	Base Contract for Sale & Purchase of Natural Gas	Columbia Gas of Virginia	For gas supply and other related supply agreements	3/5/2003
E	G-00980640		Columbia Gas of Ohio		2/11/1999
F	G-0041041	SCADA Installation	Columbia Gas Transmission	Agreement to install Supervisory Control & Data Acquisition System	5/5/2004
G-1, G-2	G-00041067	Centralized Services	NiSource Corporate Services	For NCSC to provide CPA with centralized corporate, administrative & technical support services	8/26/2004 12/23/2004
H	G-00051117	Amendment - Centralized Services	NiSource Corporate Services	To amend previously approved service agreement to add new category of services and clarify & expand 6 other categories	12/15/2005

Columbia Gas of Pennsylvania, Inc.
Summary of Affiliate Charge Agreements
For the Twelve Months Ended November 30, 2014

Exhibit No. 4
Schedule 11
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ATTACHMENT	CASE NUMBER	AGREEMENT	AFFILIATE(S) NAME	DESCRIPTION OF AGREEMENT/ARRANGEMENT	COMMISSION APPROVAL DATE
I	G-00940371	Operation of Blackhawk Storage Facilities	Columbia Gas Transmission	Agreement for TCO to operate CPA's Blackhawk gas storage facilities	4/14/1994
J	G-00960483	Centralized Services	Columbia Service Partners Columbia Gas of Maryland Columbia Gas of Ohio	Agreement for CPA to provide customer billing, accounting and other energy-related services offered to end-use customers.	7/18/1996
K	G-00960483	Centralized Services	NiSource Retail Services, Inc.	Amendment to add NRS (1/7/2004)	4/23/2004
L	G-00980602	Gas Storage	Columbia Gas of Ohio Columbia Gas of Kentucky Columbia Gas of Maryland	Agreement to store gas in Ohio only rather than in TCO fields spread over 4 states and pro-rated, resulting in tax savings	4/23/1998
M	G-00980603	Master License	Columbia Network Services Microwave	Licensure of space to CGV for installation & operation of communications facilities & equipment to aid in effective operation & maintenance of gas distribution	6/4/1998
N	G-00020929	Tax Allocation Agreement	CPA & NiSource Affiliates	Tax sharing/allocation agreement with affiliates	8/26/2002
O	G-0010908	Intercompany Financing	NiSource Finance Corp. NiSource Money Pool Entity (Co. 9 money pool participation	Intercompany financing including	12/5/2001
P - Z (see pg. 2) (Note: Attach U is NOT used)	Not Applicable	Various FERC-related agreements FTS,FTS-1, ITS 1&2, IPP, IGS, AS, SST, Transport, Supply and Storage	Columbia Gulf Transmission Columbia Gas Transmission	For affiliates to provide firm transportation, firm storage, storage service transportation services to CPA	Agreements exempt from PUC approval: 66 Pa.C.S. §2107

Columbia Gas of Pennsylvania, Inc.
Summary of Affiliate Charge Agreements
For the Twelve Months Ended November 30, 2014

Exhibit No. 4
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Witness: K. K. Miller

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B	G-00960523	Sale of Land to TCO; Lease Agreement - Somerset Service Center Building	Columbia Gas Transmission	Sale of land to TCO for TCO to construct a service center building	12/19/1996
C	G-00000825	Release of Lease Agreement; Purchase of Somerset Service Center Building	Columbia Gas Transmission	Release of lease agreement between TCO and CPA Somerset service center building; purchase of building from TCO by CPA.	12/20/2000
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E	G-00980640		Columbia Gas of Ohio		2/11/1999
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G-1, G-2	G-00041067	Centralized Services	NiSource Corporate Services	For NCSC to provide CPA with centralized corporate, administrative & technical support services	8/26/2004 12/23/2004
H	G-00051117	Amendment - Centralized Services	NiSource Corporate Services	To amend previously approved service agreement to add new category of services and clarify & expand 6 other categories	12/15/2005

Columbia Gas of Pennsylvania, Inc.
Summary of Affiliate Charge Agreements
For the Twelve Months Ended November 30, 2014

Exhibit No. 4
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ATTACHMENT	CASE NUMBER	AGREEMENT	AFFILIATE(S) NAME	DESCRIPTION OF AGREEMENT/ARRANGEMENT	COMMISSION APPROVAL DATE
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K	G-00960483	Centralized Services	NiSource Retail Services, Inc.	Amendment to add NRS (1/7/2004)	4/23/2004
L	G-00980602	Gas Storage	Columbia Gas of Ohio Columbia Gas of Kentucky Columbia Gas of Maryland	Agreement to store gas in Ohio only rather than in TCO fields spread over 4 states and pro-rated, resulting in tax savings	4/23/1998
M	G-00980603	Master License	Columbia Network Services Microwave	Licensure of space to CGV for installation & operation of communications facilities & equipment to aid in effective operation & maintenance of gas distribution	6/4/1998
N	G-00020929	Tax Allocation Agreement	CPA & NiSource Affiliates	Tax sharing/allocation agreement with affiliates	8/26/2002
O	G-0010908	Intercompany Financing	NiSource Finance Corp. NiSource Money Pool Entity (Co. 9 money pool participation	Intercompany financing including	12/5/2001
P - Z (see pg. 2) (Note: Attach U is NOT used)	Not Applicable	Various FERC-related agreements FTS,FTS-1, ITS 1&2, IPP, IGS, AS, SST, Transport, Supply and Storage	Columbia Gulf Transmission Columbia Gas Transmission	For affiliates to provide firm transportation, firm storage, storage service transportation services to CPA	Agreements exempt from PUC approval: 66 Pa.C.S. §2107

Columbia Gas of Pennsylvania, Inc.
Summary of Affiliate Charge Agreements
For the Twelve Months Ended November 30, 2014

Exhibit No. 4
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**COLUMBIA GAS OF PENNSYLVANIA, INC.
AFFILIATED AGREEMENTS - TCO and GULF
TWELVE MONTHS ENDED NOVEMBER 30, 2014**

<u>COUNTERPARTY</u>	<u>CONTRACT NUMBER</u>	<u>RATE SCHEDULE</u>	<u>AGREEMENT DATE</u>	<u>EFFECTIVE DATE</u>	<u>PRIMARY TERM DATE</u>	<u>FINAL TERM DATE</u>	<u>SEASONAL/ MDQ/ISQ</u>	<u>CONTRACT QTY DTH/D</u>	<u>RECEIPT POINT</u>	<u>RECEIPT POINT QTY</u>	<u>DELIVERY POINT</u>	<u>DELIVERY POINT QTY</u>
<u>ATT TRANSPORTATION AGREEMENTS</u>												
P COLUMBIA GULF TRANS, LLC	37726	ITS-1	11/01/93	11/01/93	11/30/93(1)		NOV-OCT	165,292	RAYNE	165,292	LEACH	165,292
Q COLUMBIA GULF TRANS, LLC	79919	FTS-1	02/04/13	02/01/13	10/31/19		NOV-OCT	43,632	RAYNE	43,632	LEACH	43,632
R COLUMBIA GULF TRANS, LLC	79084	ITS-2	06/15/04	07/01/04	07/31/04(1)		NOV-OCT	82,646	VARIOUS	82,646	VARIOUS	82,646
S COLUMBIA GAS TRANS, LLC	37457	ITS	02/04/13	02/01/13	02/01/13(1)		NOV-OCT	100,000	VARIOUS	100,000	VARIOUS	100,000
T COLUMBIA GAS TRANS, LLC	80136	FTS	08/07/12	11/01/12	10/31/14		NOV-OCT	30,237	A05 DELMONT AGG	8,641	CPA OP-8 AND OP-4	30,237
									A06 MCCLELL AGG	21,596		
T COLUMBIA GAS TRANS, LLC	80136	FTS	08/07/12	11/01/14	10/31/19		NOV-OCT	39,496	801 TCO-LEACH	39,496	CPA OP-8 AND OP-4	39,496
T COLUMBIA GAS TRANS, LLC	80136	FTS	08/07/12	11/01/19	10/31/22		NOV-OCT	21,055	B15 UNIONVILLE	12,283	CPA OP-8 AND OP-4	21,055
									C16 DELMONT	8,772		
U COLUMBIA GAS TRANS, LLC	50675	FTS	02/04/13	02/01/13	10/31/16		NOV-OCT	18,334	DELMONT-TETCO	5,000	CPA OP-8 AND OP-4	18,334
									BROADRUN	13,334		
V COLUMBIA GAS TRANS, LLC	56741	FTS	05/30/13	11/1/2013	10/31/17		NOV-OCT	13,332	GRANT STATION	10,000	CPA OP-4	13,332
									BROADRUN	3,332		
W COLUMBIA GAS TRANS, LLC	56742	FTS	08/01/97	11/01/99	10/31/14		NOV-OCT	13,334	LEACH	10,000	CPA OP-4	13,334
									BROADRUN	3,334		
X COLUMBIA GAS TRANS, LLC	80264	FTS	10/14/04	11/01/04	10/31/19		NOV-OCT	1,800	LEACH	1,800	CPA OP 8	1,800
Y COLUMBIA GAS TRANS, LLC	82610	SST	05/11/12	06/01/12	03/31/20		OCT-MAR	456,876	STORAGE O-M	456,876	CPA OP-8 AND OP-4	456,876
							APR-SEPT	228,438	STORAGE A-S	228,438	EAGLE	10,000
<u>STORAGE AGREEMENTS</u>												
Z COLUMBIA GAS TRANS, LLC	82512	FSS	03/29/05	04/01/05	03/31/20		MDQ	456,876				
							SCQ	25,341,126				

(1) MONTH TO MONTH THEREAFTER

Columbia Gas Of Pennsylvania, Inc.
Summary of Columbia Gas Distribution Companies (Inter-company billing expenses)
Twelve Months Ended November 30, 2014

FERC Account	Description	Kentucky 32	Ohio 34	Maryland 35	Virginia 38	Massachusetts 80	Total
408	Taxes Other than Income Taxes	25.00	10,245.28	15,083.76	197.46	59.22	25,610.72
416	Costs and Expenses of Merchandising, Jobbing and Contract Work	-	-	92.85	-	-	92.85
426	Donations/Contributions	-	-	1,010.00	-	-	1,010.00
813	Other Gas Supply Expenses	-	-	-	450.00	-	450.00
870	Other Supervision and Engineering	350.00	13,592.77	3,961.49	1,035.40	-	18,939.66
871	Operations Dispatching	-	-	79.03	-	-	79.03
874	Mains and Services Expenses	1,340.74	87,134.48	100,580.10	5,754.53	1,521.98	196,331.83
875	Measuring and Regulating Station Expenses - General	-	5,497.53	7,301.03	-	-	12,798.56
876	Measuring and Regulating Station Expenses - Industrial	-	2,868.02	4,788.60	-	-	7,656.62
878	Meter and House Regulator Expenses	-	17,461.84	1,952.53	-	-	19,414.37
879	Customer Installations Expenses	-	183,655.46	13,435.87	-	-	197,091.33
880	Other Expenses	337.31	32,314.58	11,957.68	3,533.74	-	48,143.31
881	Rent	68.90	-	-	-	-	68.90
885	Maintenance Supervision and Engineering	-	454.53	-	236.48	-	691.01
886	Maintenance of Structures and Improvements	-	-	650.65	-	-	650.65
887	Maintenance of Mains.	200.00	128,583.65	60,553.38	39,483.37	326.19	229,146.59
889	Maintenance of Measuring and Regulating Station Equipment - General	203.78	8,889.65	5,000.38	-	-	14,093.81
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	158.19	2,868.02	837.87	-	-	3,864.08
892	Maintenance of Services	-	13,393.13	8,869.71	65.64	170.29	22,498.77
894	Maintenance of Other Equipment	-	2,479.52	18,352.46	732.94	-	21,564.92
902	Meter Reading Expense	-	10,333.56	13,743.60	-	-	24,077.16
903	Customer Records and Collection Expenses	-	1,786.74	195.92	-	-	1,982.66
908	Customer Assistance Expenses	-	49,686.51	1,409.43	-	-	51,095.94
921	Office Supplies and Expense	-	3,109.23	1,110.67	193.03	38.70	4,451.63
923	Outside Services Employed	4,129.40	58,996.65	9,823.11	1,736.75	3,324.40	78,010.31
925	Injuries and Damages	5.10	2,586.29	1,484.24	29.05	16.93	4,121.61
926	Employee Pensions and Benefits	83.18	31,374.79	34,294.34	422.79	87.69	66,262.79
931	Rent Administration and General	-	-	291.39	-	-	291.39
932	Maintenance General Plant	-	70.70	-	3,728.80	-	3,799.50
Total Charges by Columbia Distribution Companies		6,901.60	667,382.93	316,860.09	57,599.98	5,545.40 A	1,054,290.00

Note A: During the test period CPA recorded activity between CPA and Columbia Gas of Massachusetts. CPA does not have approval for such transactions and has reversed these charges in subsequent months outside of the test period.

Columbia Gas Of Pennsylvania, Inc.
Summary of Miscellaneous Affiliated Companies (Inter-company billing expenses)
Twelve Months Ended November 30, 2014

FERC Account	Description	Columbia Gulf Transmission Company 14	Columbia Network Services Company 20	Columbia Gas Transmission Corporation 51	NISource, Inc. 58	NISource Finance Company 75	Energy USA TPC Corp. 86	NISource Money Pool 99	Total
430	Interest on Debt to Associated Companies	-	-	-	-	24,002,734.95	-	290,015.63	24,292,750.58
803	Natural Gas Transmission Line Purchases	859,687.94	-	47,995,142.78	-	-	-	-	48,854,830.72
816	Wells Expense	-	-	288.31	-	-	-	-	288.31
817	Lines Expense	-	-	2,347.37	-	-	-	-	2,347.37
818	Compressor Station Expenses	-	-	212,698.28	-	-	-	-	212,698.28
820	Measuring and Regulating Station Expenses	-	-	6,529.58	-	-	-	-	6,529.58
821	Purification Expenses	-	-	3,485.00	-	-	-	-	3,485.00
834	Maintenance of Compressor Station Equipment	-	-	4,174.31	-	-	-	-	4,174.31
836	Maintenance of Purification Equipment	-	-	880.79	-	-	-	-	880.79
880	Other Expenses	-	5,472.00	-	-	-	-	-	5,472.00
881	Rent	-	-	1,000.00	-	-	-	-	1,000.00
902	Meter Reading Expense	-	-	4,800.11	-	-	-	-	4,800.11
920	Administrative and General Salaries	-	-	-	47,546.00	-	-	-	47,546.00
926	Employee Pensions and Benefits	-	-	-	2,457.11	-	-	-	2,457.11
Total Charges by Miscellaneous Affiliated Companies		859,687.94	5,472.00	48,231,346.53	50,003.11	24,002,734.95	-	290,015.63	73,439,260.16

Columbia Gas Of Pennsylvania, Inc.
Summary of Contract Bill from NiSource Corporate Services
Twelve Months Ended November 30, 2014

FERC Account	Description	NiSource Corporate Services 12	Total
107	Construction Work In Progress	8,398,816.70	8,398,816.70
182	Other Regulatory Assets	55,551.55	55,551.55
186	Miscellaneous Deferred Debits	7,011.29	7,011.29
426	Other Deductions	36,256.09	36,256.09
807	Purchased Gas Expense	873,279.10	873,279.10
870	Other Supervision and Engineering	2,538,266.74	2,538,266.74
874	Mains and Services Expenses	436,686.51	436,686.51
875	Measuring and Regulating Station Expenses - General	70,327.19	70,327.19
876	Measuring and Regulating Station Expenses - Industrial	57,540.51	57,540.51
878	Meter and House Regulator Expense	288,914.39	288,914.39
879	Customer Installations Expenses	275,558.08	275,558.08
880	Other Operations Expense	54,619.30	54,619.30
885	Maintenance Supervision and Engineering	39,564.61	39,564.61
887	Maintenance of Main	144,815.94	144,815.94
889	Maintenance of Measuring and Regulating Station Equipment - General	70,326.64	70,326.64
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	72,309.26	72,309.26
892	Maintenance of Services	45,270.09	45,270.09
893	Maintenance of Meters and House Regulators	36,917.44	36,917.44
894	Maintenance of Other Equipment	159,554.28	159,554.28
903	Customer Records and Collection Expenses	5,711,548.22	5,711,548.22
908	Customer Assistance Expenses	91,275.01	91,275.01
909	Informational and Instructional Advertising Expenses	64,826.07	64,826.07
910	Misc. Customer Service and Informational Expenses	976,471.17	976,471.17
912	Demonstrating and Selling Expenses	599,921.32	599,921.32
913	Advertising Expenses	17,275.77	17,275.77
923	Outside Services Employed	37,510,933.67	37,510,933.67
Total Charges for Contract Bill from NiSource Corporate Services		<u>58,633,836.94</u>	<u>58,633,836.94</u>

Columbia Gas Of Pennsylvania, Inc.
Summary of Columbia Gas Distribution Companies (Inter-company billing expenses)
Twelve Months Ended November 30, 2013

FERC Account	Description	Kentucky 32	Ohio 34	Maryland 35	Virginia 38	Total
408	Taxes Other than Income Taxes	8.12	79,043.47	11,685.63	184.82	90,922.04
416	Costs and Expenses of Merchandising, Jobbing and Contract Work	-	-	211.62	-	211.62
870	Other Supervision and Engineering	175.00	3,066.02	44,264.66	1,700.16	49,205.84
871	Operations Dispatching	-	-	2,978.56	-	2,978.56
874	Mains and Services Expenses	1,260.19	367,250.56	50,795.80	13,622.74	432,929.29
875	Measuring and Regulating Station Expenses - General	301.32	51,139.88	9,324.43	249.42	61,015.05
876	Measuring and Regulating Station Expenses - Industrial	-	28,571.82	4,415.49	102.49	33,089.80
878	Meter and House Regulator Expenses	-	223,302.52	2,096.54	-	225,399.06
879	Customer Installations Expenses	-	349,726.95	8,359.74	-	358,086.69
880	Other Expenses	5,659.77	128,168.86	25,933.29	675.42	160,437.34
885	Maintenance Supervision and Engineering	-	871.69	-	1,278.84	2,150.53
886	Maintenance of Structures and Improvements	-	-	6,437.20	-	6,437.20
887	Maintenance of Mains.	650.00	501,788.43	17,291.62	65,195.87	584,925.92
889	Maintenance of Measuring and Regulating Station Equipment - General	-	51,177.35	12,378.67	196.42	63,752.44
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	-	28,119.38	688.36	102.49	28,910.23
892	Maintenance of Services	5,516.02	112,073.41	257,388.48	-	374,977.91
893	Maintenance of Meters and House Regulators	-	-	255.21	-	255.21
894	Maintenance of Other Equipment	-	3,453.55	10,211.24	415.21	14,080.00
902	Meter Reading Expense	-	16,530.43	8,771.26	-	25,301.69
903	Customer Records and Collection Expenses	-	16,623.54	891.13	-	17,514.67
908	Customer Assistance Expenses	-	69,878.25	-	-	69,878.25
921	Office Supplies and Expense	-	945.11	-	-	945.11
923	Outside Services Employed	-	12,011.42	819.48	65.00	12,895.90
925	Injuries and Damages	1.96	16,114.76	1,323.41	27.28	17,467.41
926	Employee Pensions and Benefits	31.28	289,870.95	51,629.62	662.10	342,193.95
Total Charges by Columbia Distribution Companies		13,603.66	2,349,728.35	528,151.44	84,478.26	2,975,961.71

Columbia Gas Of Pennsylvania, Inc.
Summary of Miscellaneous Affiliated Companies (Inter-company billing expenses)
Twelve Months Ended November 30, 2013

FERC Account	Description	Columbia Gulf Transmission Company 14	Columbia Network Services Company 20	Columbia Gas Transmission Corporation 51	NISource, Inc. 58	NISource Finance Company 75	Energy USA TPC Corp. 86	NISource Money Pool 99	Total
408	Taxes Other than Income Taxes	-	-	-	1,511.00	-	-	-	1,511.00
430	Interest on Debt to Associated Companies	-	-	4,580,941.35	-	22,532,003.99	-	40,120.84	27,153,066.18
803	Natural Gas Transmission Line Purchases	773,345.74	-	43,134,586.63	-	-	-	-	43,907,932.37
816	Wells Expense	-	-	5,056.33	-	-	-	-	5,056.33
817	Lines Expense	-	-	12,532.48	-	-	-	-	12,532.48
818	Compressor Station Expenses	-	-	320,252.02	-	-	-	-	320,252.02
820	Measuring and Regulating Station Expenses	-	-	22,550.11	-	-	-	-	22,550.11
821	Purification Expenses	-	-	4,110.90	-	-	-	-	4,110.90
832	Maintenance of Reservoirs and Wells	-	-	12,262.27	-	-	-	-	12,262.27
834	Maintenance of Compressor Station Equipment	-	-	19,685.99	-	-	-	-	19,685.99
836	Maintenance of Purification Equipment	-	-	29,766.62	-	-	-	-	29,766.62
880	Other Expenses	-	5,472.00	585.86	-	-	-	-	6,057.86
881	Rent	-	-	3,000.00	-	-	-	-	3,000.00
902	Meter Reading Expense	-	-	9,981.66	-	-	-	-	9,981.66
920	Administrative and General Salaries	-	-	-	124,313.00	-	-	-	124,313.00
926	Employee Pensions and Benefits	-	-	-	6,488.66	-	-	-	6,488.66
Total Charges by Miscellaneous Affiliated Companies		773,345.74	5,472.00	48,155,312.22	132,312.66	22,532,003.99	-	40,120.84	71,638,567.45

Columbia Gas Of Pennsylvania, Inc.
Summary of Contract Bill from NiSource Corporate Services
Twelve Months Ended November 30, 2013

FERC Account	Description	NiSource Corporate Services 12	Total
107	Construction Work In Progress	6,089,420.25	6,089,420.25
182	Other Regulatory Assets	338,391.74	338,391.74
186	Miscellaneous Deferred Debits	691.48	691.48
426	Other Deductions	32,752.59	32,752.59
807	Purchased Gas Expense	1,344,210.61	1,344,210.61
870	Other Supervision and Engineering	2,103,452.00	2,103,452.00
874	Mains and Services Expenses	29,646.51	29,646.51
885	Maintenance Supervision and Engineering	38,602.00	38,602.00
887	Maintenance of Mains.	76,925.35	76,925.35
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	18,929.36	18,929.36
892	Maintenance of Services	11,349.36	11,349.36
893	Maintenance of Meters and House Regulators	31,894.03	31,894.03
894	Maintenance of Other Equipment	149,460.48	149,460.48
903	Customer Records and Collection Expenses	5,597,127.13	5,597,127.13
908	Customer Assistance Expenses	89,817.82	89,817.82
909	Informational and Instructional Advertising Expenses	69,183.84	69,183.84
910	Misc. Customer Service and Informational Expenses	935,738.63	935,738.63
912	Demonstrating and Selling Expenses	614,493.38	614,493.38
913	Advertising Expenses	59,640.40	59,640.40
920	Administrative and General Salaries	1.36	1.36
923	Outside Services Employed	31,133,865.00	31,133,865.00
Total Charges for Contract Bill from NiSource Corporate Services		<u>48,765,593.32</u>	<u>48,765,593.32</u>

Columbia Gas[®]
of Pennsylvania

Kenneth W. Christman
General Counsel

650 Washington Road
Pittsburgh, PA 15228-2703

(412) 572-7159
fax (412) 572-7162

August 17, 2000

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, Pennsylvania 17120

Re: Columbia Gas of Pennsylvania, Inc.
Affiliated Interest Filing

Docket No. _____

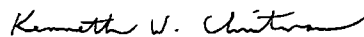
Dear Secretary McNulty:

Enclosed for filing are an original and three copies of a verified summary of an affiliated interest arrangement between Columbia Gas of Pennsylvania, Inc. and several affiliated companies. This arrangement is submitted for the Commission's review and approval under Section 2102 of the Public Utility Code (66 Pa. C. S. § 2102).

This document reflects a long-standing arrangement under which Columbia Gas of Pennsylvania has obtained various goods and services from its sister companies. The arrangement has been filed with the Commission in past rate proceedings, and Columbia believes that it was approved by the Commission at one time. The Company has not, however, been able to locate a Commission order approving this arrangement, and therefore files it for approval at this time in order to remove any uncertainty.

If you have any questions, please contact me at (412) 572-7159 or Mark Kempic, Senior Attorney, at (412) 572-7142.

Sincerely,



Kenneth W. Christman

Enclosure

Columbia Gas of Pennsylvania, Inc.

**Verified Summary of Unwritten Arrangement
among Affiliated Interests**

Parties to Arrangement:

Columbia Gas of Pennsylvania, Inc.
Columbia Gas of Kentucky, Inc.
Columbia Gas of Maryland, Inc.
Columbia Gas of Ohio, Inc.
Columbia Gas of Virginia, Inc.
Columbia Gas Transmission Corporation

Purpose and Scope

Each of the foregoing companies, in order to operate in the most efficient manner, may require from time to time in the conduct of their business (1) the assistance and service of employees of the other companies, and (2) the sale of materials and supplies.

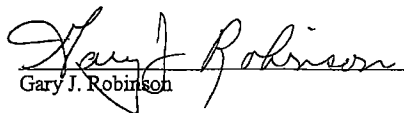
Provisions

At the sole discretion of the managements of each of the foregoing companies, each company may utilize the assistance of employees of the other companies to perform accounting, administrative, customer accounting, engineering, environmental, gas supply, gas storage, gas distribution, gas transmission, gas utilization, general, human resources, information technology, legal, marketing, regulatory, and other services. When such services are rendered, the receiving company shall be charged the actual cost thereof, including pertinent overhead charges. The number of hours spent by employees of the company rendering services for another company shall be determined by direct charges, where practicable, using time records or other applicable data. Where it is not practicable to do so, the number of hours spent shall be determined using allocation formulas approved by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935. All transactions performed under this arrangement shall be conducted in accordance with all applicable laws and regulations, including, without limitation, any federal or state regulations prescribing codes of conduct among affiliated companies.

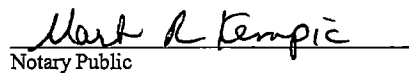
At the sole discretion of the managements of each of the foregoing companies, each company may sell property, materials, and supplies to another company when such a sale is deemed mutually beneficial. In the event of such a sale, the company receiving property, materials, or supplies shall be charged the original cost thereof, less accrued depreciation, as reflected on the books of the selling company at the time of sale, plus applicable overhead charges, if any.

Verification

Gary J. Robinson, being first duly sworn, states that he is President and Chief Executive Officer of Columbia Gas of Pennsylvania, Inc., and that the foregoing represents a true and accurate description of the arrangement between Columbia Gas of Pennsylvania, Inc. and the other companies listed therein.


Gary J. Robinson

Sworn to before me and subscribed in my presence this 17th ^{August,} day of 2000.


Notary Public

Notarial Seal
Mark R. Kempic, Notary Public
Pittsburgh, Allegheny County
My Commission Expires July 12, 2004
Member, Pennsylvania Association of Notaries

One Commerce Square
417 Walnut Street
Harrisburg, PA 17101-1904
717-237-4000
Fax: 717-237-4004

Morgan, Lewis
& Bockius LLP
C O U N S E L O R S A T L A W

Michael W. Hassell
717-237-4024

October 15, 1996

COPIES

VIA HAND DELIVERY

John Alford, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

RECEIVED
96 OCT 15 PM 4:24
FALTC,
PROTHONOTARY'S OFFICE

Re: Columbia Gas of Pennsylvania, Inc. Affiliated Interest Filing: Docket No. 1

Dear Secretary Alford:

Enclosed, to: filing, are two (2) interrelated contracts between Columbia Gas of Pennsylvania, Inc. ("CPA") and Columbia Gas Transmission Corporation ("TCO"). The first contract, attached as Appendix "A", provides for the sale to TCO of certain undeveloped land owned by CPA in the Somerset County Industrial Park in Somerset Township, Pennsylvania. The second contract, attached as Appendix "B", is a lease between TCO as Lessor and CPA as Lessee. The lease is for a service center to be constructed by TCO on the Somerset County Industrial Park site. The purpose of the contracts is explained below.

Columbia has concluded that it should open a new service center in Somerset Township, Somerset County. The service center will house maintenance vehicles, will store inventory, and will serve as the work site for a number of CPA employees. In anticipation of the future need for this new service center, CPA, in 1994, purchased a tract of land in the Somerset County Industrial Park.

As part of the process of planning for the new service center, CPA examined whether to construct and own the service center or whether to lease a service center that was constructed to Columbia's specifications. Several proposals were considered with respect to the lease option, including a proposal from TCO. After reviewing the alternatives, it was decided that leasing a service center to be built by TCO would be the most appropriate option. The enclosed contracts are required to implement this decision.

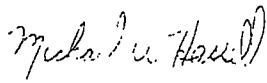
HA01/42814.1

Morgan, Lewis
& Bockius LLP

John Alford, Secretary
October 15, 1996
Page 2

If there is any question with regard to these filings, please contact the undersigned.

Yours truly,



Michael W. Hassell

MWH/aw

Enclosure

**CONTRACT FOR THE PURCHASE AND SALE
OF REAL PROPERTY**

THIS CONTRACT FOR THE PURCHASE AND SALE OF REAL PROPERTY

("Contract"), made and entered into as of this 12th day of September, 1996 by and between Columbia Gas of Pennsylvania, Inc., whose address is 200 Civic Center Drive, Columbus, Ohio 43215, hereinafter referred to as "Seller," and Columbia Gas Transmission Corporation, whose address is 1700 MacCorkle Avenue SE, Charleston, West Virginia 25325, hereinafter referred to as "Purchaser."

WHEREAS, Purchaser received an award for condemnation of certain real property by the United States of America in the case of United States of America v. 16,286.08 Acres (Case No. 77-3324H in the United States District Court for the Southern District of West Virginia) which was an "involuntary conversion of said real estate" and,

WHEREAS, Purchaser desires to reinvest said award pursuant to the United States Internal Revenue Code Section 1033(g). This Contract is intended as a reinvestment, represents a substantial continuation of Purchaser's prior commitment to capital and improvements and is intended to qualify for non-recognition of gain as reinvestment in real property of "like kind", and

WHEREAS, Seller desires to sell certain real estate together with improvements as described more fully below for the purpose of conducting its lawful business.

WITNESSETH:

That for and in consideration of the monies to be paid herein, and the mutual promises and agreements of the parties hereto, the parties do hereby agree and contract as follows:

1. Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller that certain piece of real estate located in Somerset County, Pennsylvania, and being generally the property (hereinafter referred to as the "Property") described as follows:

ALL THAT CERTAIN tract of parcel of ground situate adjacent to the Somerset County Industrial Park, Somerset Township, Somerset County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the southerly side of the right-of-way for Brant Road, in the Somerset County Industrial Park, leading from the Industrial Parkway (T-522) to a sixty (60) foot right-of-way at a point marked by a set rebar; thence along the southerly side of the sixty (60) foot right-of-way for Brant Road, North 84° 20' 0" East 349.10 feet to a point on the southerly side of the right-of-way for Brant Road at corner of lands now or formerly of MIC Industries, Inc.; thence along the line of lands now or formerly of MIC Industries, Inc., South 6° 6' 12" East 561.52 feet to a set rebar at corner of lands now or formerly of MIC Industries, Inc.; thence along the residue of the Somerset County Development Council, South 84° 20' 0" West 349.10 feet to a set rebar; thence North 6° 6' 12" West 561.52 feet to a set rebar, the place of beginning. CONTAINING 4.50 acres, as more fully set forth in the subdivision plan prepared by J. Thomas Reilly, Registered Professional Land Surveyor, dated April 29, 1993, and approved April 30, 1993 by the Somerset County Planning Commission, a copy of which is attached hereto and made a part hereof.

BEING a portion of the same premises granted and conveyed to Somerset County Development Council by deed of the Commonwealth of Pennsylvania, for the use of the Pennsylvania Game Commission, dated December 28, 1979, and recorded in Somerset County Deed Book Volume 858, at page 441.

Notwithstanding the fact that the Premises is not a part of the original Somerset Industrial Park, the Premises intended to be conveyed hereby is and shall be under and subject to the rules, regulations and standards governing construction on and the use of

the above described premises, as well as other lands of the Somerset County Industrial Park, as promulgated and adopted by the Grantor on March 11, 1965, and recorded as aforesaid on June 8, 1972, in Somerset County Deed Book Volume 722, at page 56, and the amendments thereto as promulgated and adopted by the Grantor on September 22, 1978, and recorded as aforesaid in Deed Book Volume 828, at Page 297.

2. The purchase price for the Property shall be Fifty-six thousand, seven hundred twenty-six dollars (\$56,726) and shall be paid by the Purchaser to the Seller on the date of delivery of the deed to the Property at the closing.
3. The Seller shall pay any expenses incurred for the deed preparation, filing fees and transfer taxes due on the filing of the deed in the office of the Somerset County Recorder.
4. Good and marketable title to the Property shall be conveyed by the Seller to the Purchaser free and clear of any and all liens and encumbrances except for any real estate taxes not yet due and payable, and any covenants and restrictions or easements of record
5. Any and all 1996 real estate property taxes shall be prorated as of the Closing date.
6. The Purchaser shall have possession of the Property on the Closing date.
7. Any risk of loss with respect to the Property shall be borne by the Seller until the title to the Property has been conveyed to the Purchaser, at and after which time the Purchaser shall bear all risk of loss to the Property.
8. The closing of this transaction shall take place at a location agreeable to the parties hereto, on or before October 1, 1996 or within ten days after receipt from the Pennsylvania Public Utility Commission of approval for Seller to enter into this transaction, whichever is later ("Closing date").
9. The terms and conditions of this Contract shall survive the closing

10. This Contract shall be binding on the parties' heirs and successors, and is not assignable. This Contract shall be governed by and interpreted under the law of the Commonwealth of Pennsylvania.

11. Neither Seller, nor to the best of Seller's knowledge, any previous owner of the Property nor any third party has used, generated, stored or disposed of any hazardous waste, toxic substances or related materials ("Hazardous Materials") on the Property. For purposes of this representation and warranty, Hazardous Materials shall include, but shall not be limited to, substances defined as "hazardous substances" and "pollutants or contaminants" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 U.S.C. Sec. 9601, et seq.), "hazardous waste" and "regulated substance" in the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6901, et seq.) and to those substances subject to the Toxic Substances Control Act, as amended (15 U.S.C. 2601, et seq.) and in the regulations adopted and publications promulgated pursuant thereto or any other federal, state or local governmental law, ordinance, rule or regulation.

Notwithstanding anything to the contrary herein, Seller agrees that it shall indemnify, defend and hold Purchaser harmless from any and all losses, damages, costs, liabilities and expenses which may be incurred or sustained as a result of contamination from Hazardous Materials which could reasonably be deemed to have resulted from Seller's former use of the Property or any claim, demand, damage, debt, loss, obligation, action, suit at law or in equity, administrative proceeding or liability of any kind and nature whatsoever initially brought which is brought as a result of contamination from Hazardous Materials which could reasonably be

deemed to have resulted from former use of the Property by any person or party, other than Purchaser, its officers, directors, employees, agents, insurers or assigns. The foregoing indemnification provision shall survive the closing or term of this Contract.

12. In the event Seller breaches any of the representations or warranties contained herein, or title examinations or surveys show that Seller does not own the Property nor possess good and marketable title to the Property, or Purchaser determines that the Property is not suitable for the use intended by Purchaser, or investigation discloses the presence of Hazardous Materials as defined herein, then at Purchaser's sole discretion, Purchaser shall be under no obligation to purchase the Property prior to the Closing Date, and Purchaser shall not be liable to Seller for any damages or expenses resulting from Purchaser's failure to purchase except as provided herein.

13. Upon execution of this Contract, Purchaser shall have the right to enter on the Property for the purpose of making surveys, conducting environmental tests, examining existing structures or for any other purpose reasonably necessary to Purchaser at its sole discretion and to investigate the suitability of the Property for the use intended by Purchaser. Such work shall be done in a manner that causes the least possible disturbance to the possession of Seller. If the Property is not ultimately purchased by Purchaser, then Purchaser shall compensate Seller for any damage or injury to either the land or to the improvements that arise out of or are caused by such work. If the Property is purchased by Purchaser, Seller waives and releases any and all claims for such damages.

14. Each of the parties hereto, by the execution hereof, certifies that it has read this Contract, that it understands fully the contents hereof, and that it acknowledges receipt of a copy of same. The parties further acknowledge that this Contract constitutes the entire agreement between the parties, and that no one is relying on verbal statements not contained herein, and that this Contract may be modified only by agreement in writing signed by the parties hereto. The parties further agree that time is of the essence with respect to all of the terms and conditions in this Contract, and that all the said terms and conditions shall survive the closing of the transaction and the delivery of the deed.

IN WITNESS WHEREOF, the parties have executed this Contract under seal as of the date first above written.

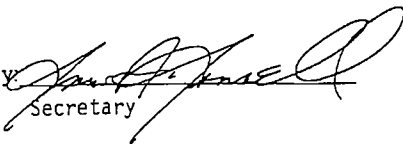
ATTEST:

COLUMBIA GAS OF PENNSYLVANIA,
INC.

By: K. W. Christman
K. W. Christman
Assistant Secretary

By: W. J. Lavelle *WJL*
W. J. Lavelle
Title: Vice President & Controller

ATTEST:

By: 
Secretary

COLUMBIA GAS TRANSMISSION
CORPORATION

By: 
Title: CFO, Sr. Vice President

APPROVED

ATTORNEY

This Indenture, made the _____ day of _____, 19____
between

COLUMBIA GAS OF PENNSYLVANIA, a Pennsylvania business corporation, with an office at 650 Washington Road, Pittsburgh, PA 15228, hereinafter referred to as the "Grantee",

and

COLUMBIA GAS TRANSMISSION CORPORATION, a Delaware business corporation, with an office at 1700 MacCorkle Avenue SE, Charleston, West Virginia 25325, hereinafter referred to as the "Grantee".

Witnesseth

that the said Grantor, for and in consideration of the sum of ONE (\$1.00) DOLLAR lawful money of the United States of America, unto it well and truly paid by the said Grantee at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents does grant, bargain, sell, alien, enfeoff, release and confirm unto the said Grantee.

All that certain tract or parcel of ground situate in the Somerset County Industrial Park, Somerset Township, Somerset County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the southerly side of the right-of-way for Brant Road, in the Somerset County Industrial Park, leading from the Industrial Parkway (T-522) to a sixty (60) foot right-of-way at a point marked by a set rebar; thence along the southerly side of the sixty (60) foot right-of-way for Brant Road, North 84° 20' 0" East 349.10 feet to a point on the southerly side of the right-of-way for Brant Road at corner of lands now or formerly of MIC Industries, Inc.; thence along the line of lands now or formerly of MIC Industries, Inc., South 6° 6' 12" East 561.52 feet to a set rebar at corner of lands now or formerly of MIC Industries, Inc.; thence along the residue of the Somerset County Development Council, South 84° 20' 0" West 349.10 feet to a set rebar; thence North 6° 6' 12" West 561.52 feet to a set rebar, the place of beginning. CONTAINING 4.50 acres, as more fully set forth in the subdivision plan prepared by J. Thomas Reilly, Registered Professional Land Surveyor, dated April 29, 1993, and approved April 30, 1993 by the Somerset County Planning Commission, a copy of which is attached hereto and made a part hereof.

BEING a portion of the same premises granted and conveyed to Somerset County Development Council by deed of the Commonwealth of Pennsylvania, for the use of the Pennsylvania Game Commission, dated December 28, 1979, and recorded in Somerset County Deed Book Volume 858, at page 441.

UNDER AND SUBJECT to the following easements and restrictions as more fully shown on the attached subdivision plan:

1. A 10 foot utility easement along the southerly and westerly sides of the property herein conveyed for use in common with Grantor, its successors and assigns;
2. The requirement of a 25 foot building setback from Brant Road on the northerly side of the property herein conveyed;
3. A 20 foot right of way on the easterly side of the property herein conveyed for a 12 inch waterline to the Somerset county General authority previously conveyed by the Grantor; and

4. A 32 foot by 45.5 foot right of way for a meter pit at the north eastern corner of the property herein conveyed.

The premises conveyed hereby is and shall be under and subject to the rules, regulations and standards governing construction on and the use of the above described premises, as well as other lands of the Somerset County Industrial Park, as promulgated and adopted by the Grantor on March 11, 1965, and recorded as aforesaid on June 8, 1972, in Somerset County Deed Book Volume 722, at page 56, and the amendments thereto as promulgated and adopted by the Grantor on September 22, 1978, and recorded as aforesaid in Deed book Volume 828, at Page 297.

TO HAVE AND TO HOLD the said privileges, hereditaments and premises hereby granted or mentioned and intended so to be with the appurtenances, if any, unto the said Grantee, and its successors and assigns, to and for the only proper use and behoof of the said Grantee, and its successors and assigns forever.

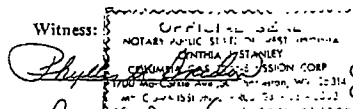
"The Grantor hereby acknowledges that the Grantor has not disposed of hazardous waste on the property above described, nor, to the actual knowledge of the Grantor, has hazardous waste ever been disposed on the property above described. The terms "hazardous waste" and "disposed", as used herein, shall be, in addition to their normal and customary meanings, the definitions contained in the "Solid Waste Management Act", No. 97 of 1980."

The true and actual consideration for this conveyance is \$56,726.

NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:



COLUMBIA GAS TRANSMISSION
CORPORATION

Cynthia J. Stanley

By

MPO Zlynn

This 7th day of October, 1996

NOTICE - THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT, OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth pursuant to Act No. 255, approved September 10, 1965).

AND the said Grantor hereby covenants and agrees that it will warrant GENERALLY the property hereby conveyed.

IN WITNESS WHEREOF, the said COLUMBIA GAS OF PENNSYLVANIA, INC., has caused this Indenture to be signed by its _____ President, and has caused to be affixed hereunto the common and corporate seal of said corporation, attested by its _____ Secretary, the day and year first above written.

Attest: COLUMBIA GAS OF PENNSYLVANIA, INC.

Secretary By _____ President

Commonwealth of Pennsylvania
County of _____

On this _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ President of Columbia Gas of Pennsylvania, Inc., a Pennsylvania corporation, and that he as such _____ President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

In witness whereof, I hereunto set my hand and official seal

(SEAL)

Certificate of Residence

I do hereby certify that the precise residence and complete post office address of the within named Grantee is 1700 MacCorkle Avenue SE, Charleston, West Virginia 25325.

Dated Sept. 12, 1996

[Signature]
Attorney for Grantee

Recorder's Certificate

Commonwealth of Pennsylvania)
County of Somerset)

RECORDED on this _____ day of _____, A.D. 1996, in the Recorder's Office of said County, in Record Book Volume _____, page _____.

Given under my hand and the seal of said office, the date above written.

Recorder

This Document Prepared by:

LEASE AGREEMENT

This Lease Agreement entered into this First day of October, 1996, by and between Columbia Gas Transmission Corporation, a Delaware corporation with its principal place of business located at 1700 MacCorkle Avenue, S. E., Charleston, West Virginia hereinafter referred to as "LESSOR" and Columbia Gas of Pennsylvania, Inc. with its principal place of business located at 200 Civic Center Drive, Columbus, Ohio 43215, hereinafter referred to as "LESSEE".

1. PREMISES

LESSOR hereby leases to LESSEE for the purpose of conducting in and on such premises any lawful business and for no other purpose, except that LESSEE shall not use the premises to dispose or otherwise abandon hazardous or toxic substances or pollutants, or oil or oily substances, the following premises with the appurtenances to the extent LESSOR has an interest therein, situated adjacent to the Somerset County Industrial Park, Somerset Township, Somerset County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the southerly side of the right-of-way for Brant Road, in the Somerset County Industrial Park, leading from the Industrial Parkway (T-522) to a sixty (60) foot right-of-way at a point marked by a set rebar; thence along the southerly side of the sixty (60) foot right-of-way for Brant Road, North 84°20'0" East 349.10 feet to a point on the southerly side of the right-of-way for Brant Road at corner of lands now or formerly of MIC Industries, Inc.; thence along the line of lands now or formerly of MIC Industries, Inc. South 6°6'12" East 561.52 feet to a set rebar at corner of lands now or formerly of MIC Industries, Inc.; thence along the residue of the Somerset County Development Council, South 84°20'0" West 349.10 feet to a set rebar; thence North 6°6'12" West 561.52 feet to a set rebar, the place of beginning. CONTAINING 4.50 acres, as more fully set forth in the subdivision plan prepared by J. Thomas Reilly, Registered Professional Land Surveyor, dated April 29, 1993, and approved April 30, 1993 by the Somerset County Planning Commission.

BEING a portion of the same premises granted and conveyed to Somerset County Development Council by deed of the Commonwealth of Pennsylvania, for the use of the Pennsylvania Game Commission, dated December 28, 1979, and recorded in Somerset County Deed Book Volume 858, at page 441.

Notwithstanding the fact that the Premises is not a part of the original Somerset Industrial Park, the Premises intended to be leased hereby is and shall be under and subject to the rules, regulations and standards governing construction on and the use of the above described premises, as well as other lands of the Somerset County Industrial Park, as promulgated and adopted by

the Grantor on March 11, 1965, and recorded as aforesaid on June 8, 1972, in Somerset County Deed Book Volume 722, at page 56, and the amendments thereto as promulgated and adopted on September 22, 1978, and recorded in Deed Book Volume 828, at Page 297.

LESSOR expressly excepts and reserves from this Lease Agreement all oil, gas, and other minerals in, on, or under the land. However, no oil, gas, or mineral explorations or operation shall be conducted on the demised premises so as to interfere unreasonably with the surface rights of the LESSEE. All oil, gas, and mineral lease agreements or other indentures shall be expressly made subject to this Lease Agreement and shall contain appropriate provisions for the reasonable protection of LESSEE's surface rights. In no event shall the exception and reservation contained in this Lease Agreement permit LESSOR to strip mine or similarly disturb the surface of the demised premises.

As used in this Lease Agreement, the term "premises" refers to the real property above described and to any improvements located on the property from time to time during the term of this Lease Agreement.

2. **TERM**

The initial term of this Lease Agreement shall commence upon the date this Lease Agreement is executed, and end on the last day of the month being seven (7) years (eighty-four months) after the Date of Occupancy of as defined in Section 4.

LESSOR grants to LESSEE, subject to the conditions set forth below, the right and option to renew this Lease Agreement for two successive and separate seven (7) year terms beginning on the date the initial term ends, or in the event of the second option beginning on the date the first renewal term ends, at a rental amount determined as provided below, and otherwise subject to and on all of the terms and conditions contained in this Lease Agreement. These options shall be deemed exercised by LESSEE unless LESSEE gives on or before six (6) months prior to the end of the initial term or the end of a renewal term, a written notice of LESSEE's intent not to exercise the option, but LESSEE shall in no event be entitled to renew the term of this Lease Agreement, unless LESSEE shall have timely performed all of its obligations under this Lease Agreement, and shall not be in default in the performance of any such obligations, on the date of the expiration of the previous term of this Lease Agreement.

3. **RENT**

Payment of rent under this Section shall be abated prior to the Date of Occupancy of the premises as defined in Section 4. Such abatement shall not relieve LESSEE of its obligations

obligations under other sections of this Lease Agreement.

The total rent for the initial term shall be \$846,468.00, which LESSEE shall pay to LESSOR in arrears, without deduction or offset, in monthly installments of \$10,077.00 per month due the first business day of each month.

In the event LESSEE exercises the options in Section 2, the additional rent shall be \$901,488.00 for the first renewal term paid in monthly installments of \$10,732.00 per month, and \$960,120.00 for the second renewal term paid in monthly installments of \$11,430.00 per month, which LESSEE shall pay to LESSOR, without deduction or offset, due the first business day of each month.

The rental amounts in this Section shall be increased or decreased on a one time basis by mutual agreement depending on LESSOR's actual land and building costs as determined on the Date of Occupancy of premises.

4 DELIVERY OF POSSESSION; OCCUPANCY

The LESSOR shall deliver actual possession of the premises to the LESSEE on the date this Lease Agreement is executed.

In the event possession of the premises is not delivered to the LESSEE due to strikes, acts of God, or any causes entirely beyond the LESSOR's control, the right of the LESSEE to terminate this Lease Agreement for non-completion of the premises shall be postponed for as long as the event causing delay persists and the LESSOR shall not be liable for any damages whatsoever.

Where LESSOR is required to undertake work in accordance with Section 10 subsequent to delivery of possession but prior to the premises being Ready for Occupancy, LESSOR and LESSOR's agents shall have access to the premises and all rights necessary for the accomplishment of such work.

Any other provisions of this Lease Agreement to the contrary notwithstanding, if the premises are not Ready for Occupancy within one (1) year after the date of delivery of possession, this Lease Agreement shall be automatically terminated and neither party shall have any further liability or obligation to the other hereunder. The purpose of this provision is to prevent the application of the rule against perpetuities to this Lease Agreement.

As used in this Lease Agreement, the term "Ready for Occupancy" means that: (1) all work undertaken in accordance with Section 10, except any subsequent variances or modifications, has been substantially completed, (2) the premises are ready for utility service connections to be made, (3) all access and service routes and areas, and the parking surfaces

substantially completed and in a usable condition, (4) a certificate of completion has been issued by the building contractor as evidence of the substantial completion of such work, excepting any subsequent variances or modifications, and (5) notice has been provided to LESSEE, with a copy of the certificate of completion, that the premises are ready for occupancy by LESSEE. The term "Date of Occupancy" shall mean the date on which the premises is Ready for Occupancy.

5. **TAXES AND ASSESSMENTS**

A. Taxes.

LESSEE shall pay and discharge as they become due, promptly and before delinquency, all taxes (including real estate taxes), assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever, including all governmental charges of whatsoever name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge on or against the demised premises, or any part of the premises described in this Lease Agreement, any building or buildings, or any other improvements now or hereafter on the demised premises, or on or against LESSEE's estate created by this Lease Agreement that may be a subject of taxation, or on or against LESSOR by reason of its ownership of the fee underlying this Lease Agreement, during the entire term of this Lease Agreement and any renewal terms hereunder, excepting only those taxes specifically excepted below.

B. Effect Of Installments.

If the right is given to pay either in one sum or installments, LESSEE may elect either mode of payment and its election shall be binding on LESSOR. If, by making any such election to pay in installments, any of such installments shall be payable after the termination of this Lease Agreement or any extended term of this Lease Agreement, the unpaid installments shall be prorated as of the date of termination, and amounts payable after that date shall be paid by LESSOR. All of the taxes and charges under this Section shall be prorated at the commencement and expiration of the term of this Lease Agreement.

C. Taxes Excepted.

In spite of anything in this section to the contrary, LESSEE shall not be required to pay any succession, franchise, income, or excess profits taxes that may be payable by LESSOR or LESSOR's successors, or assigns, nor shall LESSEE be required to pay any tax that might become due on account of ownership of property other than that leased in this Lease

Agreement which may become a lien on or collectable out of the property leased under this Lease Agreement.

D. Receipts.

LESSEE shall obtain and upon request deliver receipts or duplicate receipts for all taxes, assessments, and other items required under this Lease Agreement to be paid by LESSEE, promptly on payment of any such taxes, assessments, and other items.

6. UTILITIES

LESSEE shall fully and promptly pay for all water, gas heat, light, power, telephone service, and other public utilities of every kind furnished to the premises throughout the term of this Lease Agreement, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted on the premises, and LESSOR shall have no responsibility of any kind for any such utilities.

7. INSURANCE

A. All Risk Property Insurance.

The LESSEE shall maintain with respect to the leased premises sufficient all risk property insurance in an amount adequate to make LESSOR and LESSEE whole as a result of a covered event including, but not limited to, fire.

The LESSEE shall not permit any use of the leased premises which will make voidable any insurance on the property of which the leased premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time.

B. Liability Insurance.

The LESSEE shall maintain with respect to the leased premises comprehensive public liability insurance in the amount of ten million dollars (\$10,000,000.00) combined single limits in responsible companies with A.M. Best ratings of A+ or equivalent insuring the LESSOR as well as LESSEE against injury to persons or damage to property as provided. The LESSEE shall deposit with the LESSOR certificates for such insurance at or within thirty (30) days after the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies.

C. Generally

All insurance policies required by this Lease Agreement will be written by insurance companies acceptable to LESSOR, will be primary with respect to any insurance maintained by LESSOR, will name LESSOR as an additional insured, will contain a waiver of subrogation as against LESSOR, and will be endorsed to provide at least thirty (30) days advance notification to LESSOR of any cancellation, non-renewal or material change in coverage.

8. **CONDITION OF PREMISES; MAINTENANCE**

Except as may be otherwise expressly set forth herein, the LESSEE shall accept the leased premises "as is" in their condition as of the commencement of the term of this lease, and the LESSOR shall be obligated to perform no work whatsoever in order to prepare the leased premises for occupancy by the LESSEE. LESSOR does not warrant or undertake that LESSEE shall be able to obtain a permit under any zoning ordinance or regulation for such use as LESSEE intends to make of the premises.

The LESSEE agrees to maintain the leased premises in good condition, reasonable wear and tear excepted, and whenever necessary, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. The LESSEE shall not permit the leased premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the premises.

With regards to new construction under Section 10, LESSOR agrees to make all necessary repairs at LESSOR's expense for a period of one (1) year.

9. **LATE CHARGE**

If rent or any other sum payable hereunder remains outstanding for a period of ten (10) days, the LESSEE shall pay to the LESSOR a late charge equal to one and one-half percent (1.5%) of the amount due for each month or portion thereof during which the arrearage continues.

10. **NEW CONSTRUCTION BY LESSOR**

The LESSOR shall begin promptly the work called for on the annexed specifications and drawings, and shall complete same in a neat and workmanlike manner and in compliance with said specifications. The specifications and drawing hereinbefore referred to have been

initialed by the parties for identification and are annexed to and hereby made a part of this lease. Once the specifications and drawings have been approved and finalized, any subsequent variances or modifications shall be at LESSEE's sole expense and after written approval of LESSOR.

LESSOR covenants that all such work shall be carried out in accordance with the requirements, orders and limitations of all local, state or federal departments or bureaus having jurisdiction therein, and upon completion the premises shall be in compliance with all governmental requirements for the use which the LESSEE may make of them. All permits and licenses and the necessary insurance required in connection with the above work are to be obtained and paid for by the LESSOR.

11. **ALTERATIONS OR IMPROVEMENTS.**

LESSEE shall not make any alterations, additions or improvements to the premises without the prior obtained written consent of LESSOR which shall not be unreasonably withheld. In no event shall any such alteration, addition, or improvement weaken the structure of or impair any structure or building on the premises. Any alteration, addition, or improvement to the premises shall be done in accordance with the applicable City, County and State laws and ordinances, and building and zoning rules and regulations. Except as provided in Section 10, any such alterations, additions, or improvements to the premises shall be at LESSEE's sole expense. LESSEE hereby expressly assumes full responsibility for all damages and injuries which may result to any person or property by reason of or resulting from alterations, additions, or improvements made by it to the premises, and shall hold LESSOR harmless with respect thereto. All alterations or improvements, shall remain on the premises at the termination of the lease term or renewal term and shall become the property of the LESSOR unless at the time the consent for the alteration was given by LESSOR the LESSOR directed the alterations be removed at the termination of the lease term or renewal term in which event they shall be removed and the premises shall be returned, at the expense of LESSEE to its condition prior to the alteration or improvements. LESSEE shall not commit or suffer to be committed any waste in or on the premises.

12. **COMPLIANCE WITH LAWS**

The LESSEE acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law, regulation, or any municipal by-law or ordinance in force in the city or town in which the premises are situated. Furthermore, LESSEE agrees not to maintain, commit, or permit the maintenance or commission of any nuisance on the premises.

In the event the LESSEE fails to comply with any terms of this section within thirty (30) days of receiving written notice of said violation(s), then LESSOR shall undertake such steps which are necessary to rectify the violation(s) with LESSEE being liable for all cost thereof, including any penalty or fine(s) associated with said violation(s) and any expenses incurred by LESSOR to enforce this provision, whether court costs, attorneys' fees or any other cost of collection and enforcement.

LESSEE agrees to notify LESSOR immediately of any environmental spill or contamination and conduct all necessary remediation. This notification to LESSOR in no way relieves LESSEE of any notification responsibilities that exists under law. LESSEE shall be liable for any environmental contamination which occurs on the premises either directly or indirectly as a result of LESSEE's operations on the premises, including any fines levied, remediation conducted, or costs or damages sustained.

13. **LIENS**

LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR.

14. **ASSIGNMENT - SUBLEASING**

The LESSEE shall not assign or sublet the whole or any part of the leased premises without LESSOR's prior written consent. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease.

In the event consent is granted, LESSEE shall incur all costs associated with such assignment or sublease, and where LESSEE generates a net income LESSEE agrees to divide such net income in equal amounts between LESSEE and LESSOR. Such payments shall be deemed and considered additional rent, and shall in no way be considered or construed as creating the legal relation of a partnership. Furthermore, it is expressly understood by LESSOR and LESSEE that LESSOR is in no way responsible for any losses that LESSEE may sustain at any time.

15. **SUBORDINATION**

LESSEE accepts this Lease Agreement subject and subordinate to any and all mortgages,

deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the property of which the leased premises are a part; provided, however, that if the mortgagee, trustee or holder of any such mortgage or deed of trust elects to have Tenant's interest in this lease superior to any such instrument, then by notice to Tenant from such mortgagee, trustee or holder, this lease shall be deemed superior to such lien, whether this lease was executed before or after said mortgage or deed of trust. The LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage.

16. LESSOR'S ACCESS

The LESSOR or agents of the LESSOR may, at reasonable times, enter to view the leased premises and make repairs and alterations as LESSOR should elect to do and may show the leased premises to others, and at any time within six (6) months before the expiration of the term, may affix to any suitable part of the leased premises a notice for letting or selling the leased premises or property of which the leased premises are a part and keep the same so affixed without hindrance or molestation.

17. INDEMNIFICATION AND LIABILITY

The LESSEE covenants with the LESSOR that LESSOR shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of LESSEE or any of the LESSEE's invitees, employees, agents or contractors or any other person conducting business with the LESSEE or holding under said LESSEE during the term of this Lease Agreement by reason of the use, occupancy and enjoyment of the premises by the LESSEE's or any of the invitees, employees, agents or contractors or any other person conducting business with the LESSEE or holding under said LESSEE, except to the extent caused by LESSOR negligence, and that LESSEE will indemnify and save harmless the LESSOR from all liability whatsoever, including any pollution-related or environmental liability that did not exist prior to the commencement of the initial term of this Lease Agreement, on account of any such real or claimed damage or injury and from all liens, claims and demands arising out of the use of the premises, or any repairs, improvements, or alterations which the LESSEE may make upon said premises, but the LESSEE shall not be liable for damage or injury occasioned by the negligence of the LESSOR and its designated agents, contractors, invitees, servants or employees. This obligation to indemnify shall include reasonable attorney's fees and investigation costs and all other reasonable costs, expenses and liabilities from the first notice that any claim or demand is to be made or any be made.

All property kept, stored or maintained at or on the premises shall be so kept, stored or maintained at the risk of the LESSEE only, and the LESSOR shall not be liable for any loss or damage to the LESSEE or LESSEE's property, except for loss or damage resulting from any negligent act of omission of LESSOR.

The removal of snow and ice from the sidewalks bordering upon the leased premises shall be LESSEE's responsibility.

18. **FIRE, CASUALTY, OR EMINENT DOMAIN**

Should a substantial portion of the premises, or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this Lease Agreement if:

- (a) The LESSOR fails to give written notice within thirty (30) days of intention to restore premises, or
- (b) The LESSOR fails to restore the premises to a condition substantially suitable for their intended use within ninety (90) days of said fire, casualty or taking.

The LESSOR reserves, and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the premises for any taking by eminent domain, except for damage to the LESSEE's fixtures, property, or equipment.

19. **DEFAULT AND BANKRUPTCY**

In the event that:

- (a) The LESSEE shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice thereof; or
- (b) The LESSEE shall default in the observance or performance of any other of the LESSEE's covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof; or
- (c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE's property for the benefit of creditors.

then the LESSOR shall have the right hereafter, while such default continues, to re-enter and take complete possession of the leased premises, to declare the term of this lease ended, and remove the LESSEE's effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE's part to be observed or performed under or by virtue of any of the provisions in any article of this lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE, if the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations insured, with interest at the rate of the prime rate as reported in The Wall Street Journal, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE

Any notice from the LESSOR to the LESSEE relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if left at the leased premises addressed to the LESSEE, or if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSEE.

Any notice from the LESSEE to the LESSOR relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSOR at 1700 MacCorkle Avenue, S. E., Charleston, WV 25314 or at such address as the LESSOR may from time to time advise in writing. All rent notices shall be paid and sent to the LESSOR at 1700 MacCorkle Avenue, S. E., Charleston, WV 25314 or at such address as the LESSOR may from time to time advise in writing.

21. SURRENDER

The LESSEE shall at the expiration or other termination of this lease remove all LESSEE's goods and effects from the leased premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the LESSEE, either inside or outside the leased premises). LESSEE shall deliver to the LESSOR the leased premises and all keys, locks thereto, and other fixtures connected therewith and all alterations, improvements, and additions made to or upon the leased premises, in good condition. In the event of the LESSEE's failure to remove any of LESSEE's property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage

thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE'S expense, or to retain same under LESSOR's control or to sell at public or private sale, without notice any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.

LESSEE shall obtain and submit to LESSOR at lease three (3) months prior to termination of this Lease Agreement, at its sole expense, a Phase I environmental assessment of the Premises. LESSEE further agrees to remediate all environmental pollutants determined to be in existence as a result of the Phase I environmental assessment in accordance with applicable laws and regulations.

22. FORCE MAJEURE

In the event that the LESSOR is prevented or delayed from making any repairs or performing any other covenant hereunder by reason of any cause reasonably beyond the control of the LESSOR, the LESSOR shall not be liable to the LESSEE therefore nor, except as expressly otherwise provided in case of casualty or taking, shall the LESSEE be entitled to any abatement or reduction of rent by reason thereof, nor shall the same give rise to a claim by the LESSEE that such failure constitutes actual or constructive eviction from the leased premises or any part thereof.

23. EFFECT OF LESSEE'S HOLDING OVER

Any holding over after the expiration of the term of this Lease Agreement, with the consent of LESSOR, shall be construed to be a tenancy from month-to-month, at the same monthly rental as required to be paid by LESSEE for the period immediately prior to the expiration of the term of this Lease Agreement, and shall otherwise be on the terms and conditions specified in this Lease Agreement, so far as applicable

24. MODIFICATION OF AGREEMENT

Any modification or amendment of this Lease Agreement or additional obligation assumed by either party in connection with this Lease Agreement shall be binding only if evidenced in a writing signed by an officer of each party.

25. SALE OF PREMISES

A. In the event LESSOR shall receive a bona fide offer to purchase the premises during

the term of this Lease Agreement, and the offer of purchase shall be satisfactory to LESSOR, LESSOR shall give LESSEE the privilege of purchasing the premises at the price and on the terms of the offer so made. This privilege shall be given by a notice sent to LESSEE at the premises by registered mail, requiring LESSEE to accept the offer in writing and to sign a suitable contract to purchase the premises within the period of thirty (30) days after the mailing of the notice.

The failure of LESSEE to accept the offer to purchase or to sign a contract within the period provided shall nullify and void the privilege to LESSEE, and LESSOR shall be at liberty to sell the premises to any other person, firm, or corporation for the same or greater consideration.

- B. In the event of a sale or conveyance by LESSOR of the premises the same shall operate to release LESSOR from any future liability upon any of the covenants or conditions, express or implied, herein contained in favor of LESSEE, and in such event LESSEE agrees to look solely to the responsibility of the successor in interest of LESSOR in and to this Lease Agreement. LESSEE agrees to attorn to the purchaser or assignee in any such sale.

26. MISCELLANEOUS

A. *Parties Bound.*

The covenants and conditions contained in this Lease Agreement shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties to the Lease Agreement. All of the parties shall be jointly and severally liable under this Lease Agreement.

B. *Resolution of Claims, Disputes or Controversies*

- a) A good faith attempt shall be made to resolve any claim, dispute or controversy between the LESSOR and LESSEE arising out of this Lease Agreement, its performance or breach.
- b) If such claim, dispute or controversy cannot be resolved within ten (10) business days of the request of either party, the Parties agree that it shall be resolved by submission to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association or other mutually agreeable method of binding arbitration. Notice of demand for arbitration must be made in writing upon the other Party.

- c) Within ten (10) business days from the date of delivery of the demand for arbitration, each Party will choose one arbitrator and the two arbitrators so chosen will choose a third. **The award rendered by the arbitrators will be final, not subject to appeal and judgment may be entered upon it in any court having jurisdiction thereof.** No arbitration arising out of this Lease Agreement may include, by consolidation, joinder or in any other manner, any person or entity who is not a Party to this Lease Agreement without the written consent of both LESSOR and LESSEE.
- d) By written consent signed by the Parties to this Lease Agreement and containing a specific reference hereto, the limitations and restrictions contained in this Section, may be waived in whole or in part as to any claim, dispute, counterclaim, or other matter specifically described in such consent.
- e) The Parties shall share equally the arbitration fees. All other expenses, including legal fees, associated with arbitration shall be borne by each responsible Party.

C. Waiver

The waiver by LESSOR of, or the failure of LESSOR to take action with respect to any breach of any term, covenant, or condition contained in this Lease Agreement shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition contained in this Lease Agreement.

The subsequent acceptance of rent under this Lease Agreement by LESSOR shall not be deemed to be a waiver of any preceding breach by LESSEE of any term, covenant, or condition of this Lease Agreement, other than the failure of LESSEE to pay the particular rental so accepted, regardless of LESSOR's knowledge or a preceding breach at the time of acceptance of rent.

D. Effect of Unenforceable Provisions.

If any clause or provision of this Lease Agreement is illegal, invalid or unenforceable under present or future laws effective during the initial or renewal term of the Lease Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Lease Agreement shall not be affected thereby, and it is the intention of the parties to this Lease that in lieu of each clause or provision of this Lease Agreement that is illegal, invalid or unenforceable, there be added as a part of this Lease Agreement a clause or provision similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable. The intention of the parties hereto is that the remaining parts of this Lease Agreement shall not be affected.

E. Section Captions.

The captions appearing under the section number designations of this Lease Agreement are for convenience only and are not a part of this Lease Agreement and do not in any way limit or amplify the terms and provisions of this Lease Agreement.

F. Governing Law

It is agreed that this Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

G. Limitation on Consent.

Any provisions of this Lease Agreement requiring the approval or consent of LESSOR may be subject to approval from LESSOR's mortgagee. Any requirement of LESSOR pursuant to this Lease Agreement which is imposed pursuant to the direction of any such mortgagee shall be deemed to have been reasonably imposed by LESSOR if made in good faith.

H. Reasonable Attorney's Fees

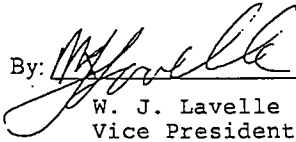
In the event that any action or proceeding is brought to enforce any term, covenant, or condition of this Lease Agreement on the part of LESSOR or LESSEE the prevailing party in such litigation shall be entitled to reasonable attorney's fees to be fixed by the court in such action or proceeding or as prescribed by law.

I. Additional Documents.

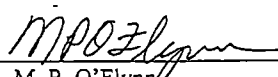
The parties agree to execute whatever papers and documents, including construction specifications or drawings, that may be necessary to effectuate the terms of this Lease Agreement.

IN WITNESS WHEREOF, the said parties hereunto set their hands and seals this First day of October, 1996.

COLUMBIA GAS OF
PENNSYLVANIA, INC.--LESSEE

By:  
W. J. Lavelle
Vice President/Controller

COLUMBIA GAS TRANSMISSION
CORPORATION--LESSOR

By: 
M. P. O'Flynn
Senior Vice President
Chief Financial Officer

APPROVED

 d. 11. 96

ATTORNEY


Columbia Gas
of Pennsylvania

Mark R. Kempic
Senior Attorney

650 Washington Road
Pittsburgh, PA 15228-2703

412-572-7142
412-572-7162 (fax)

November 20, 2000

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

Re: *Columbia Gas of Pennsylvania, Inc. Affiliated Interest Filing*
Docket No.:

Dear Secretary McNulty:

Enclosed please find the original and four copies each of two interrelated agreements between Columbia Gas of Pennsylvania, Inc. ("CPA") and Columbia Gas Transmission Corporation ("TCO"). Please file the original and three copies of each agreement and date stamp one copy and return it to me in the enclosed envelop.

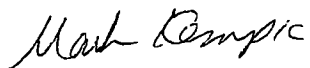
The first agreement, is a Release Agreement concerning a lease between TCO and CPA. The lease pertains to a building located in Somerset Township, Somerset County, Pennsylvania that CPA is currently leasing from TCO. CPA utilizes the building as a service center which houses maintenance vehicles, stores inventory and serves as a work site for some of CPA's employees. The second agreement, provides for the sale of the Somerset Service Center to CPA. As stated above, the service center is currently owned by TCO. The purpose of these agreements is explained below.

CPA has determined that it should purchase, rather than lease, the Somerset Service Center from TCO so that it can exercise full control over the facility. Owning the facility provides CPA with the ability to lease the entire building, lease portions of it, or even sell the property. Purchasing the Somerset Service Center will also provide cost savings to CPA; specifically, this transaction will result in at least a \$130,032.00 decrease in CPA's annual O & M. From a budgetary perspective, CPA has sufficient resources its 2000 capital expenditure program to pay for this purchase. CPA is purchasing the Somerset Service Center property at its current net book value of \$744,574.41

Because both companies are prepared and desire to book this sales transaction to their respective 2000 budgets, CPA respectfully requests that the Commission issue its order

as expeditiously as possible. If there are any questions with respect to this filing, please contact me at 412-572-7142.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark Kempic". The signature is written in a cursive, flowing style.

Mark R. Kempic
Attorney for
Columbia Gas of Pennsylvania, Inc.

Enclosures (2)

RELEASE AGREEMENT

This Release Agreement is entered into by and between Columbia Gas Transmission Corporation, a Delaware corporation, with a business address of 1700 MacCorkle Avenue SE, Charleston, West Virginia 25325 ("Lessor") and Columbia Gas of Pennsylvania, Inc., a Pennsylvania corporation, with a business address of 650 Washington Road, Pittsburgh, Pennsylvania 15228 ("Lessee").

WHEREAS, Lessor and Lessee entered into a lease agreement on October 1, 1996 providing that Lessor would lease the premises, with all improvements thereon, bounded and described as follows:

All that certain tract or parcel of ground situate in the Somerset County Industrial Park, Somerset Township, Somerset County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the southerly side of the right-of-way for Brant Road, in the Somerset County Industrial Park, leading from the Industrial Parkway (T-522) to a sixty (60) foot right-of-way at a point marked by a set rebar; thence along the southerly side of the sixty (60) foot right-of-way for Brant Road, North 84° 20' 0" East 349.10 feet to a point on the southerly side of the right-of-way for Brant Road at corner of lands now or formerly of MIC Industries, Inc.; thence along the line of lands now or formerly of MIC Industries, Inc., South 6° 6' 12" East 561.52 feet to a set rebar at corner of lands now or formerly of MIC Industries, Inc.; thence along the residue of the Somerset County Development Council, South 84° 20' 0" West 349.10 feet to a set rebar; thence North 6° 6' 12" West 561.52 feet to a set rebar, the place of beginning. **CONTAINING** 4.50 acres, as more fully set forth in the subdivision plan prepared by J. Thomas Reilly, Registered Professional Land Surveyor, dated April 29, 1993, and approved April 30, 1993 by the Somerset County Planning Commission.

WHEREAS, the above-described property is better known as the Somerset Service Center and is located in the Township of Somerset, County of York, Commonwealth of Pennsylvania.

WHEREAS, the initial term of the Lease Agreement was for a period of seven (7) years with an option to renew for two successive and separate seven (7) year terms.

WHEREAS, the initial and current term of the Lease Agreement is scheduled to expire on September 30, 2003.

WHEREAS, Lessee no longer wishes to lease the premises which is the subject of the

Lease Agreement, but rather wishes to purchase such premises, and therefore wishes to terminate the above-described Lease Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and intending to be legally bound, the parties agree as follows:

TERMS

1. Lessee shall purchase the premises which are the subject of the Lease Agreement being released herein.
2. In consideration of Lessee's purchase of the leased premises, Lessor agrees to terminate the Lease Agreement, and release Lessee from any and all obligations that Lessee has under the terms of the Lease Agreement, including but not limited to all duties, covenants, promises, expenses, liabilities, and responsibilities, and further will execute any and all documents required in connection therewith.
3. The effective date of this release is November 10, 2000.

IN WITNESS THEREOF, the said parties have hereunto set their hands and seals on this 10th day of November, 2000.

COLUMBIA GAS OF
PENNSYLVANIA, INC.

By: Gary J. Robinson
Name: Gary J. Robinson
Title: President and CEO
Date: October 9, 2000

COLUMBIA GAS TRANSMISSION
CORPORATION

By: W. H. Marple
Name: W. H. Marple
Title: Senior Vice President Operations
Date: October 18, 2000
By: S. M. Warnick
Name: S. M. Warnick
Title: Senior Vice President
Date: Finance and Information Services
October 18, 2000

WITNESS FOR COLUMBIA GAS
OF PENNSYLVANIA, INC.

By: Mark R Kempic
Name: Mark R. Kempic
Title: Senior Attorney
Date: 10/9/00

WITNESS FOR COLUMBIA GAS
TRANSMISSION CORPORATION

By: Sharon Kelly
Name: SHARON KELLY
Title: Asst General Counsel
Date: 10/13/00

**AGREEMENT FOR THE PURCHASE AND SALE
OF REAL PROPERTY**

This AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY ("Agreement") is entered into by and between Columbia Gas Transmission Corporation, a Delaware corporation, with a business address of 1700 MacCorkle Avenue SE, Charleston, West Virginia 25325 ("Seller") and Columbia Gas of Pennsylvania, Inc., a Pennsylvania corporation, with a business address of 650 Washington Road, Pittsburgh, Pennsylvania 15228 ("Purchaser").

WHEREAS, Purchaser desires to purchase certain real estate together with improvements as described more fully below for the purpose of conducting its lawful business.

WITNESSETH

That for and in consideration of the monies paid herein, and the mutual promises and agreements of the parties hereto, the parties do hereby agree and contract as follows:

1. Seller agrees to sell and Purchaser agrees to purchase from Seller that certain piece of real estate located in the Somerset County Industrial Park, Somerset Township, Somerset County, Pennsylvania (the "Property"), bounded and described as follows:

BEGINNING at a point on the southerly side of the right-of-way for Brant Road, in the Somerset County Industrial Park, leading from the Industrial Parkway (T-522) to a sixty (60) foot right-of-way at a point marked by a set rebar; thence along the southerly side of the sixty (60) foot right-of-way for Brant Road, North 84° 20' 0" East 349.10 feet to a point on the southerly side of the right-of-way for Brant Road at corner of lands now or formerly of MIC Industries, Inc.; thence along the line of lands now or formerly of MIC Industries, Inc., South 6° 6' 12" East 561.52 feet to a set rebar at corner of lands now or formerly of MIC Industries, Inc.; thence along the residue of the Somerset County Development Council, South 84° 20' 0" West 349.10 feet to a set rebar; thence North 6° 6' 12" West 561.52 feet to a set rebar, the place of beginning. CONTAINING 4.50 acres, as more fully set forth in the subdivision plan prepared by J. Thomas

Reilly, Registered Professional Land Surveyor, dated April 29, 1993, and approved April 30, 1993 by the Somerset County Planning Commission.

2. The purchase price for the Property shall be its net book value as of September 30, 2000 which is seven hundred forty-four thousand, five hundred seventy-four dollars and forty one cents (\$744,574.41) and shall be paid by the Purchaser to the Seller on the date of delivery of the deed to the Property at the closing.

3. The Seller shall pay any expenses incurred for the deed preparation, filing fees and transfer taxes due on the filing of the deed in the office of the Somerset County Recorder.

4. Good and marketable title to the Property shall be conveyed by the Seller to the Purchaser free and clear of any and all liens and encumbrances except for any real estate taxes not yet due and payable, and any covenants and restrictions or easements of record.

5. Any and all 2000 real estate property taxes shall be prorated as of the Closing date, as that term is hereafter defined in Section 8.

6. The Purchaser shall have possession of the Property on the Closing date.

7. Any risk of loss with respect to the Property shall be borne by the Seller until the title to the Property has been conveyed to the Purchaser, at and after which time the Purchaser shall bear all risk of loss to the Property.

8. The closing of this transaction shall take place at a location agreeable to the parties hereto within ten days after receipt from the Pennsylvania Public Utility Commission of approval for Purchaser to enter into this transaction ("Closing date").

9. The terms and conditions of this Agreement shall survive the closing.

10. This Agreement shall be binding on the parties' heirs and successors, and is not assignable. This Agreement shall be governed by and interpreted under the laws of the Commonwealth of Pennsylvania.

11. Neither Seller, nor to the best of Seller's knowledge, any previous owner of the Property nor any third party has used, generated, stored or disposed of any hazardous waste, toxic substances or related materials ("Hazardous Materials") on the Property. For purposes of this representation and warranty, Hazardous Materials shall include, but shall not be limited to, substances defined as "hazardous substances" and "pollutants or contaminants" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (42 U.S.C. Sec. 9601, et seq.), "hazardous waste" and "regulated substance" in the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6901, et seq.) and to those substances subject to the Toxic Substances Control Act, as amended (15 U.S.C. 2601, et seq.) and in the regulations adopted and publications promulgated pursuant thereto or any other federal, state or local governmental law, ordinance, rule or regulation.

Buyer represents that to the best of its knowledge, during its occupation of the Property (October 1, 1996 to date), it has not used, generated, stored or disposed of any Hazardous Materials on the Property.

Notwithstanding anything to the contrary herein, Seller agrees that it shall indemnify, defend and hold Purchaser harmless from any and all losses, damages, costs, liabilities and expenses which may be incurred or sustained as a result of contamination from Hazardous Materials which could reasonably be deemed to have resulted from Seller's former use of the Property or any claim, demand, damage, debt, loss, obligation, action, suit at law or in equity, administrative proceeding or liability of any kind and nature whatsoever initially brought which is brought as a result of contamination from Hazardous Materials which could reasonably be deemed to have resulted from former use of the Property by any person or party, other than

Purchaser, its officers, directors, employees, agents, insurers or assigns. The foregoing indemnification provision shall survive the closing or term of this Agreement.

12. In the event Seller breaches any of the representations or warranties contained herein, or title examinations or surveys show that Seller does not own the Property nor possess good and marketable title to the Property, or Purchaser determines that the Property is not suitable for the use intended by Purchaser, or investigation discloses the presence of Hazardous Materials as defined herein, then at the Purchaser's sole discretion, Purchaser shall be under no obligation to purchase the Property prior to the Closing Date, and Purchaser shall not be liable to Seller for any damages or expenses resulting from Purchaser's failure to purchase except as provided herein.

13. Upon execution of this Agreement, Purchaser shall have the right to enter on the Property for the purpose of making surveys, conducting environmental tests, examining existing structures or for any other purpose reasonably necessary to Purchaser at its sole discretion and to investigate the suitability of the Property for the use intended by Purchaser. Such work shall be done in a manner that causes the least possible disturbance to the possession of Seller. If the Property is not ultimately purchased by Purchaser, then Purchaser shall compensate Seller for any damage or injury to either the land or to the improvements that arise out of or are caused by such work. If the Property is purchased by Purchaser, Seller waives and releases any and all claims for such damages.

14. Each of the parties hereto, by the execution hereof, certifies that it has read this Agreement, and it understands fully the contents hereof, and that it acknowledges receipt of a copy of same. The parties further acknowledge that this Agreement constitutes the entire agreement between the parties, and that no one is relying on verbal statements not contained

herein, and that this Agreement may be modified only by agreement in writing signed by the parties hereto. The parties further agree that TIME IS OF THE ESSENCE with respect to all of the terms and conditions in this Agreement, and that all the said terms and conditions shall survive the closing of the transaction and the delivery of the deed.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the 10th day of November, 2000..

ATTEST:

COLUMBIA GAS OF PENNSYLVANIA,
INC.

By: K. W. Christman
K. W. Christman
Assistant Secretary

By: Harry Robinson

ATTEST:

COLUMBIA GAS TRANSMISSION
CORPORATION

By: Sharon O. Flanery
Assistant Secretary
Sharon O. Flanery

By: W. H. Marple
W. H. Marple
Title: Senior Vice President Operations

By: Sharon O. Flanery
Assistant Secretary
Sharon O. Flanery

By: S. M. Warnick
S. M. Warnick
Title: Senior Vice President
Finance and Information Services



Mark R. Kempic
Senior Attorney
Legal Department

650 Washington Road
Pittsburgh, PA 15228
(412) 572.7142
Fax: (412) 572.7162
mkempic@nisource.com

January 8, 2003

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
400 North Street,
Harrisburg, PA 17120

Re: Columbia Gas of Pennsylvania, Inc. – Affiliate Transaction

Dear Mr. McNulty:

Enclosed for filing pursuant to 66 Pa. C.S.A §2102, are three copies of a "Base Contract for Sale and Purchase of Natural Gas" between Columbia Gas of Pennsylvania, Inc. ("CPA") and an affiliated company, Columbia Gas of Virginia, Inc. ("CVA"). The Commission has previously approved an affiliate agreement authorizing CPA and CVA to exchange goods and services (*See* Docket G-00000794, Order Entered October 25, 2000). However, CPA is filing the attached agreement because it explains the sale and exchange of gas in greater detail than the prior affiliate agreement. If this filing is deemed to be duplicative by the Commission, please inform me of that fact.

I have included an extra copy of the document. Please date stamp it and return it to me in the enclosed envelope. If you have any questions about the enclosed document or if I may be of any assistance, please do not hesitate to contact me at 412.572.7142.

Sincerely,

A handwritten signature in ink that reads "Mark Kempic".

Mark R. Kempic
Senior Attorney

enclosures

bcc: K. W. Christman
S. J. Sagun

BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS

This Base Contract, made and entered into this 1st day of April, 2002, by and between Columbia Gas of Virginia, Inc., a Virginia corporation with offices located at 200 Civic Center Drive, Columbus, Ohio 43215 and Columbia Gas of Pennsylvania, Inc., a Pennsylvania corporation with offices located at 200 Civic Center Drive, Columbus, Ohio 43215.

ARTICLE I PURPOSE AND PROCEDURES

1.1 This Base Contract establishes the general terms and conditions governing purchases, sales, physical options, and exchanges of Gas between the Parties during the period this Base Contract is in effect, inclusively known as ("Transactions"). As used herein, the term "Buyer" refers to the Party purchasing the Transaction and the term "Seller" refers to the Party selling the Transaction.

1.2 The Parties will use the following Transaction Confirmation procedure. Should the Parties come to an agreement regarding a Transaction for a particular Delivery Period, Seller will, and Buyer may, record that agreement on a Transaction Confirmation and facsimile or deliver such Transaction Confirmation to the other Party by the close of the Business Day following the date of agreement. If a sending Party's Transaction Confirmation is contrary to the receiving Party's understanding of the agreement, such receiving Party shall notify the sending Party via facsimile before the close of the second Business Day following receipt. The receiving Party's failure to so notify sending Party in writing within the aforementioned time period constitutes receiving Party's agreement to the terms of the transaction described in the sending Party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same Transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved.

1.3 Each Party consents to the recording of all telephone conversations between its employees and the employees of the other Party.

1.4 The entire agreement between the Parties shall be governed by those provisions contained in the Base Contract and any effective Transaction Confirmation ("Contract"). In the event of a conflict between the terms of any Transaction Confirmation and the terms of this Base Contract, the terms of the Transaction Confirmation shall govern.

ARTICLE II DEFINITIONS

2.1 "British Thermal Unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of pure water from 59° Fahrenheit to 60° Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute (psia).

2.2 "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.

2.3 "Contract" shall mean the legally binding relationship established by (i) this Base Contract and (ii) the provisions contained in any effective Transaction Confirmation(s).

2.4 "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as set forth in the Transaction Confirmation.

2.5 "Contract Price" shall mean the amount expressed in U.S. Dollars per Dth, as specified by the Parties on the Transaction Confirmation.

2.6 "Cover Standard" shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the non-defaulting Party shall use commercially reasonable efforts to obtain or sell Gas at a price reasonable for the delivery or production area, as applicable, consistent with the amount of notice provided by the defaulting Party with consideration for the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved and the anticipated length of failure by the defaulting Party.

2.7 "Day" shall mean a period of twenty-four (24) consecutive hours, coextensive with a "Day" as defined in the tariff of the Transporter delivering Gas to the Delivery Point, or the Transporter receiving Gas if there is no Transporter delivering Gas, in a particular transaction.

2.8 "Delivery Period" shall be the period during which deliveries are to be made as set forth in the Transaction Confirmation.

2.9 "Delivery Point" shall mean such points as are mutually agreed upon between Seller and Buyer as set forth in the Transaction Confirmation.

2.10 "Dth" shall mean one million British Thermal Units.

2.11 "Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state consisting essentially of methane which conforms with Section 7.1.

2.12 "Imbalance Charges" shall mean any scheduling penalties, imbalance penalties, overpull or unauthorized overrun penalties, operational flow order penalties, Cash Out Charges, banking charges, or similar penalties, fees or charges assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.13 "Month" shall mean the period beginning on the first day of the calendar month and ending immediately prior to the commencement of the first day of the next calendar month.

2.14 "Schedule", "Scheduling", "Scheduled" or "Nominations" shall refer to the act of Seller, Buyer, and the Transporter(s) notifying, requesting, and confirming to each other the quantity of Gas to be delivered hereunder on any given Day during the Delivery Period.

2.15 "Spot Price" shall mean the Midpoint price listed in the publication *Gas Daily* as published by Financial Times Energy, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day. If no price is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price is published that next preceded the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price is published that next follows the relevant Day.

2.16 "Transaction Confirmation" shall mean the document, substantially in the form of Exhibit A, setting forth the terms of a Transaction formed pursuant to Section 1 for a particular Delivery Period.

2.17 "Transporter(s)" shall mean all Gas pipeline companies, or the physical facilities thereof, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular Transaction Confirmation.

ARTICLE III PERFORMANCE OBLIGATION

3.1 The Performance Obligation shall be designated in each Transaction Confirmation from one of the following:

3.1.1 "Interruptible" shall mean that either Party may interrupt its performance at any time for any reason except for reasons of price, whether or not caused by an event of Force Majeure, in which case there will be no liability, except such interrupting Party is responsible for any Imbalance Charges as set forth in Section 6.3 related to its interruption after the nomination is made to the Transporter, and until the change in deliveries and/or receipts is confirmed and implemented by Transporter.

3.1.2 "Secondary Firm" shall mean that either Party may interrupt its performance to the extent that such performance is prevented for reasons of Force Majeure or curtailment or interruption of such Party's interruptible transportation and/or storage, transportation between secondary firm points or recallable firm transportation, in which case there will be no liability except such interrupting Party is responsible for any Imbalance Charges, as set forth in Section 6.3, related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed and implemented by Transporter. If a Party interrupts for any other reason the non-breaching Party's exclusive remedy shall be that it may recover its Cover Costs as set forth in Section 4.1.

3.1.3 "Primary Firm" shall mean that either Party may only interrupt its performance to the extent that such performance is prevented for reasons of Force Majeure or curtailment of firm transportation and/or storage between primary firm points, in which case there will be no liability except that such interrupting Party is responsible for any Imbalance Charges, as set forth in Section 6.3, related to its interruption after the nomination is made to the Transporter. If a Party interrupts for any other reason the non-breaching Party's exclusive remedy shall be as set forth in Section 4.1.

3.2 If a Party interrupts its performance, such Party will curtail in a fair and reasonable manner giving similar treatment to similarly affected sales customers.

ARTICLE IV DEFAULTS AND REMEDIES

4.1 Subject to Section 4.3, the exclusive and sole remedy of the Parties in the event of a breach of Performance Obligation shall be recovery of the following:

- (i) In the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Price and the purchase price paid by Buyer utilizing the Cover Standard for replacement Gas, adjusted for commercially reasonable incremental transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller on such Day(s) ("Buyer's Cover Costs"); or
- (ii) In the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Price and the price received by Seller utilizing the Cover Standard from the resale of such Gas, adjusted for commercially reasonable incremental transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually received by Buyer for such Day(s) ("Seller's Cover Costs"); or
- (iii) In the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third Party, and no such replacement or sale is available, then the exclusive remedy of the non-breaching Party shall be the difference between the Contract Price and the Spot Price multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day.

4.2 When reasonable grounds for insecurity of payment arise, either Party may demand adequate assurance of performance from the other party. Adequate assurance shall mean sufficient security in the form and for the term reasonably acceptable to the demanding Party including, but not limited to, a standby irrevocable letter of credit, a prepayment or a guarantee by a credit-

worthy entity. Notwithstanding and in addition to but not in limitation of any other provision hereof or in the event (each a "default") either Party (the "Defaulting Party") shall:

- (i) Make an assignment or any general arrangement for the benefit of creditors; or
- (ii) Become bankrupt or insolvent, however evidenced, or be unable to pay its debts as they fall due; or
- (iii) File a petition or otherwise commence a proceeding under any bankruptcy, insolvency, reorganization or similar law; or have any such petition filed or proceeding commenced against it; or
- (iv) Have a liquidator, administrator, receiver or trustee appointed with respect to it or any substantial portion of its property or assets; or
- (v) Fail to pay or perform, when due, any material obligation to the other Party (the "Non-Defaulting Party"), whether under this agreement, or in connection with credit support obligations or otherwise and such failure is not cured within two (2) Business Days after written notice thereof to the Defaulting Party; or
- (vi) Fail to provide adequate assurance of its ability to perform all of its outstanding obligations to the Non-Defaulting Party under this Base Contract;

then in any such event the Non-Defaulting Party shall have the right to designate an early termination date ("Early Termination Date") as any date on or after the event of default under this Section 4.2. Upon the Early Termination Date, the Non-Defaulting Party shall have the right to liquidate any and all Transactions under this Contract (including any portion of a Transaction not yet fully delivered) then outstanding by:

- (i) Closing out each Transaction being liquidated at its Market Value, as defined below, so that each such Transaction is canceled and a settlement payment in an amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Transaction shall be due to the Buyer under the Transaction if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and
- (ii) Discounting each amount then due under clause (i) above to present value in a commercially reasonable manner as at the time of liquidation (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Transaction); and
- (iii) Setting off or aggregating, as appropriate, any or all settlement payments (discounted as appropriate) and (at the election of the non-defaulting Party) any or all other amounts owing between the Parties under this Contract so that all such amounts are aggregated and/or netted to a single liquidated amount payable by one Party to the other. The net amount due any such liquidation shall be paid by the close of business on the Business Day following the Early Termination Date.

For purposes of this Section 4.2, "Contract Value" means the amount of the Gas remaining to be delivered or purchased under a Transaction multiplied by the Contract Price per unit, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a Transaction multiplied by the market price per unit determined by the non-defaulting Party in a commercially reasonable manner using the Cover Standard. The rate of interest used in calculating net present value shall be determined by the non-defaulting Party in a commercially reasonable manner. The Parties agree that a Transaction under this Section 4.2 shall constitute a "forward contract" within the meaning of the United States Bankruptcy Code.

4.3 The Non-Defaulting Party's rights under this Section are in addition to, and not in limitation or exclusion of, any other rights which the Non-Defaulting Party may have (whether by agreement, operation of law or otherwise) subject to the Non-Defaulting limitation set forth in Section 4.4. If a default occurs, the Non-Defaulting Party may (at its election) from time to time set off any or all amounts which the Defaulting Party owes to it (whether under this Base Contract, any Forward Contract or otherwise and whether or not then due), provided that any amount not then due which is included in such setoff shall be discounted to present value as of the time of setoff (to take account of the period between the date of setoff and the date on which such amount would have otherwise been due).

4.4 In no event will either Party be responsible, either under this Article IV or under any other term or provision of this Contract, for incidental, consequential, special, or punitive damages.

ARTICLE V TRANSPORTATION

5.1 Seller shall have the sole responsibility and bear the full cost and expense of transporting the Gas, or ensuring that the Gas is transported, to the Delivery Point. Buyer shall have the sole responsibility and bear the full cost and expense of transporting the Gas, or ensuring that the Gas is transported at and after the Delivery Point.

5.2 If the supply or transportation necessary to deliver or receive the Contract Quantity is unavailable for any reason, the Party responsible for or having notice of such interruption shall promptly notify the other Party by facsimile. Seller and Buyer shall then cooperate in all reasonable actions to avoid Imbalance Charges imposed by the Transporter(s). Notwithstanding the above, any notice of interruption shall not be considered an amendment of the Performance Obligation set forth in an applicable Transaction Confirmation.

ARTICLE VI QUANTITY, SCHEDULING AND IMBALANCES

6.1 Seller agrees to sell and deliver, or cause to be delivered, and Buyer agrees to purchase and receive or cause to be received, the Contract Quantity for a particular Transaction in accordance with the terms of this Contract.

6.2 The Parties shall coordinate their Scheduling requirements by telephone with immediate confirmation in writing by facsimile. Ample time must be given to meet the Scheduling deadlines of the affected Transporter(s). Each Party shall give the other Party timely prior notice, sufficient to meet the requirements of all Transporter(s) involved in the Gas delivery to Buyer, of the quantities of Gas to be delivered and purchased each Day. Should either Party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such Party shall notify immediately the other Party by telephone to be followed up with written facsimile notice within twenty-four hours. Notice provisions shall be waived if mutually agreed upon.

6.3 The Parties shall use commercially reasonable efforts to avoid imposition by any Transporter of Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's actions or inactions (which shall include, but shall not be limited to, Buyer's failure to accept quantities of Gas equal to the Scheduled Gas), then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller to the Transporter. If the Imbalance Charges were incurred as a result of Seller's actions or inactions (which shall include, but shall not be limited to, Seller's failure to deliver quantities of Gas equal to the Scheduled Gas), then Seller shall pay for such Imbalance Charges, or reimburse Buyer for such Imbalance Charges paid by Buyer to the Transporter.

6.4 Seller shall be responsible for allocating gas tendered to Transporter(s) among Buyer and other buyers for each point(s) of delivery. Seller shall not retroactively change any allocation information which Seller has previously provided to Transporter(s) without Buyer's express written concurrence.

ARTICLE VII QUALITY

7.1 All Gas delivered by Seller shall meet the quality and heat content requirements of Transporter(s)' tariff(s), as may be amended from time to time.

ARTICLE VIII DELIVERY PRESSURE

8.1 Gas delivered hereunder shall be at commercial operating pressures sufficient to deliver such quantities at the Delivery Point(s).

ARTICLE IX MEASUREMENT

9.1 The unit of quantity measurement for purposes of this Contract shall be one Dth (dry).

9.2 Measurement of Gas quantities hereunder shall be in accordance with the tariff of the first Transporter immediately downstream of the Delivery Point(s).

ARTICLE X TAXES

10.1 Seller shall pay or cause to be paid, all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to its delivery at the Delivery Point(s). Buyer shall pay or cause to be paid, all Taxes on or with respect to the Gas at or after its delivery at the Delivery Point(s). If a Party is required to remit or pay Taxes which are the other Party's responsibility hereunder, such Party shall promptly reimburse the other Party for such Taxes. If Buyer is entitled to an exemption of such Gas from any such Taxes or charges, Buyer shall furnish Seller any necessary exemption or resale certificate covering the Gas delivered hereunder at the Delivery Point(s).

10.2 Neither the Contract Price to be paid for Gas nor any other provision of this Contract shall be affected by an increase or decrease in the rate or amount of any tax or the repeal of an existing tax imposed on either Party, by the enactment of a new tax, or by the subsequent application hereto of any existing tax.

ARTICLE XI BILLING, PAYMENT AND AUDIT

11.1 On or before the tenth day following the Month of deliveries of Gas hereunder, Seller shall deliver to Buyer a statement for the preceding Month properly identified as to the Delivery Point and applicable Transaction Confirmation showing the total quantity of Gas delivered and the amount due. If the actual quantity delivered is not available by the contractual billing date, billing will be prepared based on the Scheduled quantities. The Scheduled quantity will then be corrected to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

11.2 Buyer shall remit by wire transfer the amount due pursuant to Seller's invoice instructions, by the later of the 25th day of the Month in which the statement was rendered or ten calendar days after receipt of the statement by Buyer; provided that if the due date is not a Business Day, payment is due on the next Business Day following that date. If Buyer fails to remit the full amount payable by Buyer when due, interest on the unpaid portion shall accrue at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum from the date due until the

date of payment, or (ii) the maximum applicable lawful interest rate. If Buyer, in good faith, disputes the amount of any such statement or any part thereof, Buyer will pay to Seller such amount as it concedes to be correct; provided, however, if Buyer disputes the amount due, Buyer must provide supporting documentation acceptable in industry practice from its Transporter to verify the amount paid. If it is ultimately determined that Buyer owes the disputed amount, Buyer will pay Seller that amount with interest as determined above immediately upon such determination. Any payments due the Buyer hereunder shall be made in accordance with this Section 11.2.

11.3 Either Party shall have the right at its own expense, upon reasonable notice and at reasonable times, to examine the books and records of the other Party to the extent reasonably necessary to verify (i) the accuracy of any statement, charge, payment, computation or other documentation made under the Contract or (ii) any curtailment of service under Section 3.2. Any such audit and any claim based upon errors in (i) or (ii), immediately above, must be made within two years of the date of such statement or any revision thereof or the last Day of the Month during which any such alleged unauthorized curtailment occurs. Following such two year period, a billing statement as adjusted shall be final. Errors in a Party's favor shall be rectified in full, with interest as calculated above, by such Party within 30 days of notice and substantiation of such inaccuracy.

11.4 The receipt of any invoice, statement, information concerning a Transaction or the act of payment or partial payment shall not constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel or other defense to a claim by or against the Seller or Buyer for the true and actual amount accurately due and payable for the full period of two years in arrears.

11.5 Each Party shall have the right of recoupment against any and all amounts due or to become due to the other Party hereunder. Each right of recoupment may be exercised at any time and in the ordinary course of business without demand on or notice to the other Party, its affiliates, parent or its guarantor. The right of recoupment shall not be deemed to be waived by any conduct of either Party, by any failure to exercise such right, or by any neglect or failure in so doing.

ARTICLE XII TITLE, WARRANTY AND INDEMNITY

12.1 Title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas at and after its delivery to Buyer at the Delivery Point(s).

12.2 Seller warrants that it will have good and merchantable title to or will have the right to deliver all Gas sold hereunder and/or delivered by it to Buyer, free and clear of all liens, encumbrances, and claims.

12.3 Seller and Buyer each warrants that it is engaged in the direct commercial use of Gas in the ordinary course of its business, as producer, processor, merchant, or consumer or otherwise has knowledge of the practices associated with the purchase or sale of Gas. Each further warrants that it has and will maintain all the regulatory authorizations, certificates, and documentation as may be necessary and legally required to transport, buy, or make sales for resale of Gas sold or purchased hereunder.

12.4 If any claim related to the title to the Gas sold and/or delivered hereunder is asserted at any time, Buyer may withhold payment of up to the amount of such claim without interest, as security for the performance of Seller's obligations hereunder until such claim has been finally determined, or until Seller has furnished a bond or other acceptable assurances to Buyer under terms and conditions reasonably satisfactory to Buyer, and in an amount with surety reasonably satisfactory to Buyer.

12.5 Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of title, personal injury or property damage from any or all persons to said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims regarding payment, personal injury, death or property damage from said Gas or other charges thereon which attach at and after title passes to Buyer, subject to Seller's obligation regarding quality as set forth in Section 7.1.

ARTICLE XIII NOTICES

13.1 All Transaction Confirmations and other communications ("Communications") made pursuant to the Contract shall be sent or hand delivered to the other Party at the address shown below:

Columbia Gas of Virginia, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Energy Trading Manager
Phone: 614-460-6227
Fax: 614-460-6442

Columbia Gas of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Energy Trading Manager
Phone: 614-460-6227
Fax: 614-460-6442

13.2 All invoices and payments shall be sent or hand delivered to the other Party at the address shown below:

Columbia Gas of Virginia, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Gas Purchase Services Manager
Phone: 614-460-6225
Fax: 614-460-6442

Columbia Gas of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Gas Purchase Services Manager
Phone: 614-460-6225
Fax: 614-460-6442

13.3 Either Party may modify any information specified above by written notice to the other Party, except changes to the payment information, which written notice must be notarized.

13.4 All Communications ("Notices") required hereunder may be sent by facsimile or mutually accepted electronic means, a nationally recognized overnight courier service, first class mail or hand delivered. All invoices required hereunder may be sent by facsimile or mutually accepted electronic means and followed by a nationally recognized overnight courier service, first class mail or hand delivered.

13.5 Notices sent by facsimile shall be deemed to have been received upon the sending Party's receipt of its facsimile's confirmation thereof. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving Party. Notice delivered by hand shall be deemed to be received at the time it is delivered to an officer or to a responsible employee of the receiving Party. Notice via first class mail shall be considered delivered two Business Days after mailing.

ARTICLE XIV FORCE MAJEURE

14.1 Except with regard to a Party's obligation to make payments due under the Contract, neither Party shall be liable to the other for a failure to perform its obligations hereunder, if such failure was caused by Force Majeure. As used herein, the term "Force Majeure" shall mean an unforeseen occurrence or event beyond the control of the Party claiming excuse which partially or entirely prevents that Party's performance of its obligations as further defined in Section 14.3.

14.2 The Party whose performance is prevented by Force Majeure must provide notice to the other Party. Initial notice may be given orally; however, written notification with particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other Party, the affected Party will be relieved of its obligation to make/accept delivery of Gas to the extent and for the duration of Force Majeure and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

14.3 Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe, weather related events such as hurricanes or freezing or failure of wells or lines of pipe which affects an entire geographic region; (ii) acts of others such as strikes, lockouts, or other industrial disturbances, riots, sabotage, insurrections or wars; (iii) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; and (iv) any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected Party. Seller and Buyer shall make reasonable efforts to avoid Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

14.4 Neither Party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected from any or all of the following circumstances: (i) the sole or contributory negligence of the Party claiming excuse; (ii) the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; and (iii) economic hardship. Force Majeure shall not excuse a Party's responsibility for Imbalance Charges, as set forth in Section 6.3. As soon as possible after the Force Majeure event shall have been remedied, the Party claiming suspension shall likewise give notice to the effect that the same has been remedied and that such Party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

14.5 Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the Party experiencing such disturbance.

ARTICLE XV GOVERNMENTAL REGULATION

15.1 This Contract and all provisions herein will be subject to all present and future applicable and valid statutes, rules, orders and regulations of any Federal, State, or local governmental authority having jurisdiction over the Parties, their facilities, or Gas supply, this Base Contract or Transaction Confirmation or any provisions thereof.

15.2 Each Party certifies that, during the performance of this contract, its employment practices, pertaining to employees and applicants, shall comply with all applicable federal, state and local laws and regulations regarding discrimination because of race, color, religion, national origin, sex, age, disability or veteran status, including but not limited to the provisions of the Civil Rights Act of 1964, Fair Labor Standards Act of 1938, Americans with Disabilities Act of 1990, Executive Order 11246 of September 24, 1965, Family and Medical Leave Act of 1993, Code of Federal Regulations (CFR); 41 CFR Part 60-1, 41 CFR Part 60-250, and 41 CFR Part 60-741, all provisions as amended, and all provisions thereof being incorporated herein by reference.

15.3 Each Party hereby represents and warrants that it will, to the greatest extent practical, consistent with efficient contract performance, provide small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals with the opportunity to participate in performing contracts or subcontracts related to this contract. Each Party further states that it shall ensure timely payment of amounts due to any such contractor or subcontractor.

15.4 Neither Party will be held in default for failure to perform under this Contract, if such failure is due to compliance with such rules, regulations, laws, orders or directives of any State, Federal or other governmental regulatory authority.

ARTICLE XVI TERM

16.1 This Base Contract shall remain in effect for one month from the date hereof and from Month to Month thereafter unless terminated by either Party on thirty (30) Days advance written notice; provided, however, that, except as provided in Section 4.2, if one or more Transaction Confirmations are in effect, termination shall not be effective until the expiration of the latest Delivery Period of such Transaction Confirmation(s). The obligations of a Party to make any payment due hereunder and the obligation of Seller to indemnify Buyer, and Buyer to indemnify Seller, pursuant hereto shall survive the termination or cancellation of the Contract or Transaction Confirmation.

ARTICLE XVII DISPUTE RESOLUTION

17.1 In the event a dispute arises between Buyer and Seller, or the successors or assigns of either of them, regarding the application or interpretation of any provision of this Base Contract or a Transaction Confirmation, the aggrieved Party shall promptly notify the other Party of its intent to invoke this dispute resolution procedure after such dispute arises. If the Parties shall have failed to resolve the dispute within ten Business Days after delivery of such notice, each Party shall, within five Business Days thereafter nominate an officer of its company to meet at a mutually agreed location to resolve the dispute.

ARTICLE XVIII MISCELLANEOUS

18.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective Parties hereto, and the covenants, conditions, and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning Party, which consent will not be unreasonably withheld or delayed; provided, however, that either Party may, without the consent of the other Party and without relieving itself from liability hereunder, (i) transfer, sell, pledge, encumber or assign this Contract or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Contract to an affiliate of such Party which affiliate's creditworthiness is comparable to or higher than that of such Party, or (iii) transfer or assign this Contract to any person or entity succeeding to all or substantially all of the assets of such Party; provided, however, that in each such case, any such assignee shall agree to be bound by the terms and conditions hereof.

18.2 If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

18.3 No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Contract shall be taken and construed as cumulative.

18.4 This Contract sets forth all understandings between the Parties respecting the subject matter of each transaction and any prior contracts, understandings and representations, whether oral or written, representing this subject matter are merged into and superseded by the Base Contract and any effective Transaction Confirmation(s). This Contract may only be amended in writing.

18.5 This Contract may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. As used herein, the singular of any term shall include the plural.

18.6 The interpretation and performance of this Contract shall be governed by the laws of Virginia excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

18.7 This Contract was prepared jointly by Seller and Buyer, and, in the event of doubt or ambiguity in the language of any of its provisions, shall be construed with equal strength in favor of both Parties.

18.8 The terms of this Contract and of any Transaction Confirmation entered into pursuant hereto, including but not limited to the Contract Price, the Contract Quantity, the Delivery Period, the identified Transporter(s), and all other material terms thereof shall be kept confidential by the Parties hereto for one year from the expiration of such Transaction, except to the extent that any information must be disclosed to a third Party for the purpose of effectuating transportation of Gas subject to the Contract or to meet New York Mercantile Exchange requirements or governmental agency requirements or requests or requests in civil or regulatory proceedings where necessary.

18.9 Compliance with the confirmation procedures of Article I satisfies any "writing" requirements imposed under the Uniform Commercial Code or any other applicable contract law.

IN WITNESS WHEREOF, Parties hereto have caused their names to be signed and executed in duplicate on this 3rd day of April, 2002.

COLUMBIA GAS OF VIRGINIA, INC.

By: Peggy Hardini *mad*
Title: _____

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Andrew J. Williams
Title: Assistant Secretary *AK*

EXHIBIT A

TRANSACTION CONFIRMATION

Date:	_____, 20__
Seller's Transaction Confirmation #:	_____
Buyer's Transaction Confirmation #:	_____

Please deliver to _____ immediately. Please notify _____ in writing within two (2) Business Days if you are NOT in Agreement	
SELLER: _____ _____ _____ Attn: _____ Phone: _____ Fax: _____	BUYER: _____ _____ _____ Attn: _____ Phone: _____ Fax: _____
Contract Price: \$ ____/Dth	Delivery Period: From _____, 20__ to _____, 20__
Contract Quantity: ☐ _____ Dth/Day (No Intra-month Swing) ☐ From _____ to _____ Dth/day (Intra-month Swing)	Performance Obligation: Select One ☐ Interruptible ☐ Secondary Firm ☐ Primary Firm
(If a pooling point is used, list a specific geographic and pipeline location) Delivery Point(s): _____	
Special Conditions: 	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____, 20__.	
By: (Buyer) _____ Title: _____ Date: _____	By: (Seller) _____ Title: _____ Date: _____

Columbia Gas[®]
of Pennsylvania

Law Department
Shared Services

200 Civic Center Drive
Columbus, OH 43215

Mailing:
PO Box 117
Columbus, OH 43216-0117
614-460-6000

WRITER'S DIRECT DIAL
(614) 460-4646

November 17, 1998

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17120-3265

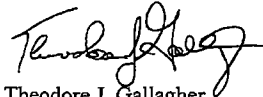
Re: Columbia Gas of Pennsylvania, Inc. -- Affiliate Transaction

Dear Mr. McNulty:

Enclosed for filing, pursuant to 66 Pa.C.S.A. §2102, is a copy of a Base Contract for Purchase and Sale of Natural Gas between Columbia Gas of Pennsylvania, Inc. and an affiliated company, Columbia Gas of Ohio, Inc.

If you have any questions about the enclosed document or if I may be of assistance, please do not hesitate to contact me at (614) 460-4646.

Very truly yours,



Theodore J. Gallagher
Attorney for
Columbia Gas of Pennsylvania, Inc.

enclosure

BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS

This Base Contract, made and entered into this 1st day of October, 1998, by and between Columbia Gas of Ohio, Inc., an Ohio corporation with offices located at 200 Civic Center Drive, Columbus, Ohio 43215, and Columbia Gas of Pennsylvania, Inc., a Pennsylvania corporation with offices located at 200 Civic Center Drive, Columbus, Ohio 43215.

ARTICLE I PURPOSE AND PROCEDURES

1.1 This Base Contract establishes the terms governing purchases, sales and/or exchanges of Gas during the period this Base Contract is in effect. The Base Contract anticipates that the role of a party may change from time to time and that role may in some cases be that of the Seller and in other cases be that of the Buyer. As used herein, the term "Buyer" refers to the party receiving Gas and the term "Seller" refers to the party delivering Gas.

1.2 The terms and conditions incorporated in this Base Contract are intended to facilitate the entering into by Buyer and Seller of a variety of types of transactions with specific pertinent terms and durations. The types of transactions covered by this Base Contract are defined in Section 3.1:

- (i) Interruptible (I)
- (ii) Secondary Firm (SF)
- (iii) Primary Firm (PF) or
- (iv) Exchange of Futures For Physicals (EFP)

1.3.1 The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase or sale transaction for a particular Delivery Period, Seller will, and Buyer may, record that agreement on a Transaction Confirmation and facsimile or hand deliver such Transaction Confirmation to the other party by the close of the Business Day following the date of agreement.

1.3.2 If a sending party's Transaction Confirmation is contrary to the receiving party's understanding of the agreement, such receiving party shall notify via facsimile the sending party before the close of the second Business Day following receipt if such receiving party has not previously sent a Transaction Confirmation to the sending party. The receiving party's failure to so notify sending party in writing within the aforementioned time period constitutes receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation.

1.4 The entire agreement between the parties shall be governed by those provisions contained in the Base Contract and any effective Transaction Confirmation ("Contract"). In the event of a conflict between the terms of any Transaction Confirmation and the terms of this Base Contract, the terms of the Transaction Confirmation shall govern.

ARTICLE II DEFINITIONS

2.1 "British Thermal Unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of pure water from 59° Fahrenheit to 60° Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute (psia).

2.2 "Business Day" shall mean any day except Saturday, Sunday or bank holidays.

2.3 "Contract" shall mean the legally-binding relationship established by (i) this Base Contract and (ii) the provisions contained in any effective Transaction Confirmation(s).

2.4 "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as set forth in the Transaction Confirmation.

2.5 "Cover Costs" shall have the meaning set forth in Section 4.1.

2.6 "Cover Standard" shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the non-defaulting party shall use commercially reasonable efforts to obtain or sell Gas at a price reasonable for the delivery or production area, as applicable, consistent with the amount of notice provided by the defaulting party with consideration for the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved and the anticipated length of failure by the defaulting party.

2.7 "Day" shall mean a period of twenty-four (24) consecutive hours, coextensive with a "day" as defined in the tariff of the Transporter delivering Gas to the Delivery Point, or the Transporter receiving Gas if there is no Transporter delivering Gas, in a particular transaction.

2.8 "Delivery Period" shall be the period during which deliveries are to be made as set forth in the Transaction Confirmation.

2.9 "Delivery Point" shall mean the downstream side of such location(s) as are mutually agreed upon between Seller and Buyer as set forth in the Transaction Confirmation.

2.10 "Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases in a gaseous state consisting essentially of methane which conforms with Section 7.1.

2.11 "Imbalance Charges" shall mean any scheduling penalties, imbalance penalties, overpull or unauthorized overrun penalties, operational flow order penalties, Cash Out Charges, banking charges, or similar penalties, fees or charges assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.12 "MMBtu" shall mean one million British Thermal Units.

2.13 "Month" shall mean the period beginning on the first day of the calendar month and ending on the first day of the next calendar month.

2.14 "Schedule", "Scheduling", "Scheduled" or "Nominations" shall refer to the act of Seller, Buyer, and the Transporter(s) notifying, requesting, and confirming to each other the quantity of Gas to be delivered hereunder on any given Gas Day during the Delivery Period.

2.15 "Transaction Confirmation" shall mean the form attached in Exhibit A.

2.16 "Transporter(s)" shall mean all Gas pipeline companies, or the physical facilities thereof, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular Transaction Confirmation.

ARTICLE III PERFORMANCE OBLIGATION

3.1 The Performance Obligation shall be designated in each Transaction Confirmation from one of the following:

3.1.1 "Interruptible" shall mean that either party may interrupt its performance at any time for any reason except for reasons of price, whether or not caused by an event of force majeure, with no liability, except such interrupting party is responsible for any Imbalance Charges as set forth in Section 6.3 related to its interruption after the nomination is made to the Transporter.

3.1.2 "Secondary Firm" shall mean that either party may interrupt its performance to the extent that such performance is prevented for reasons of Force Majeure or curtailment of such party's interruptible transportation and/or storage, transportation between secondary firm points or recallable firm transportation, with no liability except such interrupting party is responsible for any Imbalance Charges, as set forth in Section 6.3, related to its interruption after the nomination is made to the Transporter. If a party interrupts for any other reason the non-breaching party's exclusive remedy shall be that it may recover its Cover Costs.

3.1.3 "Primary Firm" shall mean that either party may only interrupt its performance to the extent that such performance is prevented for reasons of Force Majeure or curtailment of firm transportation and/or storage between primary firm points, with no liability except that such interrupting party is responsible for any Imbalance Charges, as set forth in Section 6.3, related to its interruption after the nomination is made to the Transporter. If a party interrupts for any other reason the non-breaching party's exclusive remedy shall be that it may recover its Cover Costs.

3.1.4 "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving futures contracts on the New York Mercantile Exchange. EFP shall incorporate the meaning and remedies of Primary Firm.

3.2 If a party interrupts its performance, such party will curtail each customer group in a fair and reasonable manner giving similar treatment to similarly affected customers.

ARTICLE IV DEFAULTS AND REMEDIES

4.1 Subject to Section 4.3, the exclusive and sole remedy of the parties in the event of a breach of the Performance Obligation shall be recovery of the following Cover Costs: (i) in the event of a breach by Seller, payment by Seller to Buyer in an amount equal to the difference between the Contract Price and the purchase price paid by Buyer utilizing the Cover Standard for replacement Gas, adjusted for reasonable incremental transportation costs to or from the Delivery Point(s), multiplied by the quantity of Gas agreed upon but not delivered by Seller ("Buyer's Cover Costs"); or (ii) in the event of a breach by Buyer, payment by Buyer to Seller in an amount equal to the difference between the Contract Price and the price received by Seller utilizing the Cover Standard from the resale of such Gas, adjusted for reasonable incremental transportation costs to or from the Delivery Point(s), multiplied by the quantity of Gas agreed upon but not taken by Buyer ("Seller's Cover Costs"); (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the exclusive remedy of the non-breaching party shall be the difference between the Contract Price and the price that would have been paid or received utilizing the Cover Standard multiplied by the quantity of Gas agreed upon but not delivered by Seller or taken by Buyer.

4.2 In no event will either party be responsible, either under this Article IV or under any other term or provision of this Contract, for incidental, consequential, special, or punitive damages.

4.3 In the event that the non-defaulting party terminates the Contract under Section 15.2, the non-defaulting party shall have the right to designate an early termination date ("Early Termination Date") as any date on or after the event of default under Section 15.2. Upon the Early Termination Date, the non-defaulting party shall have the right to liquidate any and all Transactions under this Contract (including any portion of a Transaction not yet fully delivered) then outstanding by:

- (i) Closing out each Transaction being liquidated at its Market Value, as defined below, so that each such Transaction is canceled and a settlement payment in an amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Transaction shall be due to the Buyer under the Transaction if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and
- (ii) Discounting each amount then due under clause (i) above to present value in a commercially reasonable manner as at the time of liquidation (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Transaction); and
- (iii) Setting off or aggregating, as appropriate, any or all settlement payments (discounted as appropriate) and (at the election of the non-defaulting party) any or all other amounts owing between the parties under this Contract so that all such amounts are aggregated and/or netted to a single liquidated amount payable by one party to the other. The net amount due any such liquidation shall be paid by the close of business on the Business Day following the Early Termination Date.

For purposes of this Section 4.3, "Contract Value" means the amount of the Gas remaining to be delivered or purchased under a Transaction multiplied by the Contract Price per unit, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a Transaction multiplied by the market price per unit determined by the non-defaulting party in a commercially reasonable manner using the Cover Standard. The rate of interest used in calculating net present value shall be determined by the non-defaulting party in a commercially reasonable manner. The parties agree that a Transaction under this Section 4.3 shall constitute a "forward contract" within the meaning of the United States Bankruptcy Code.

The non-defaulting party's rights under this Section 4.3 and to Cover Costs accrued prior to the termination date are the sole and exclusive remedy of the non-defaulting party. The non-defaulting party shall give notice that a liquidation pursuant to this Section 4.3 has occurred to the defaulting party no later than the Business Day following such liquidation, provided that failure to give such notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the defaulting party against the non-defaulting party.

ARTICLE V TRANSPORTATION

5.1 Seller shall have the sole responsibility and bear the full cost and expense of transporting the Gas, or ensuring that the Gas is transported, to the Delivery Point. Buyer shall have the sole responsibility and bear the full cost and expense of transporting the Gas, or ensuring that the Gas is transported at and after the Delivery Point.

5.2 If the supply or transportation necessary to deliver or receive the Contract Quantity is unavailable for any reason, the party responsible for or having notice of such interruption shall promptly notify the other party by facsimile. Seller and Buyer shall then cooperate in all reasonable actions to avoid penalties imposed by the Transporter(s). Notwithstanding the above, any notice of interruption shall not be considered an amendment of the Performance Obligation.

ARTICLE VI QUANTITY, SCHEDULING AND IMBALANCES

6.1 Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of this Contract.

6.2 The parties shall coordinate their Scheduling requirements by telephone with immediate confirmation in writing by facsimile. Ample time must be given to meet the Scheduling deadlines of the affected Transporter(s). Each party shall give the other party timely prior notice, sufficient to meet the requirements of all Transporter(s) involved in the Gas delivery to Buyer, of the quantities of Gas to be delivered and purchased each Day. Such notice shall be at least twenty-four hours prior to the earliest regularly scheduled nomination deadline of the Transporters receiving or delivering Gas commencing on the first Day of a Month, and two hours earlier than such deadline for any subsequent nomination if intra-month changes are authorized. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall notify immediately the other party by telephone to be followed up with written facsimile notice within twenty-four hours. Notice provisions shall be waived if mutually agreed upon.

6.3 The parties shall use all reasonable efforts to avoid imposition by any Transporter of Imbalance Charges. If, during any Month, Buyer or Seller receives an invoice from a Transporter which includes Imbalance Charges, the parties shall use their reasonable efforts to promptly determine the validity as well as the cause of such Imbalance Charges. If the parties determine that the Imbalance Charges were incurred as a result of Buyer's actions or inactions (which shall include, but shall not be limited to, Buyer's failure to accept quantities of Gas equal to the Scheduled Gas), then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller to the Transporter. If the parties determine that the Imbalance Charges were incurred as a result of Seller's actions or inactions (which shall include, but shall not be limited to, Seller's failure to deliver quantities of Gas equal to the Scheduled Gas), then Seller shall pay for such Imbalance Charges, or reimburse Buyer for such Imbalance Charges paid by Buyer to the Transporter.

6.4 Seller shall be responsible for allocating gas tendered to Transporter(s) among Buyer and other buyers for each point(s) of delivery. Seller shall not retroactively change any allocation information which Seller has previously provided to Transporter(s) without Buyer's express written concurrence.

ARTICLE VII QUALITY

7.1 All Gas delivered by Seller shall meet the quality and heat content requirements of Transporter(s)' tariff(s), as may be amended from time to time.

ARTICLE VIII DELIVERY PRESSURE

8.1 Gas delivered hereunder shall be at commercial operating pressures sufficient to deliver such quantities at the Delivery Point(s).

ARTICLE IX MEASUREMENT

9.1 The unit of quantity measurement for purposes of this Contract shall be one MMBtu.

9.2 Measurement of Gas quantities hereunder shall be in accordance with the tariff of the first Transporter immediately downstream of the Delivery Point(s).

ARTICLE X PRICE

10.1 The Contract Price for all Gas delivered hereunder shall be expressed in U.S. Dollars per million British Thermal Units (\$/MMBtu). The price shall be agreed to by Buyer and Seller for each specific transaction and shall be included in the Transaction Confirmation.

ARTICLE XI TAXES

11.1 Seller shall pay or cause to be paid, all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to its delivery at the Delivery Point(s). Buyer shall pay or cause to be paid, all Taxes on or with respect to the Gas at or after its delivery at the Delivery Point(s). If a party is required to remit or pay Taxes which are the other party's responsibility hereunder, such party shall promptly reimburse the other party for such Taxes. If Buyer is entitled to an exemption of such Gas from any such Taxes or charges, Buyer shall furnish Seller any necessary exemption or resale certificate covering the Gas delivered hereunder at the Delivery Point(s).

11.2 Neither the price to be paid for gas nor any other provision of this Contract shall be affected by an increase or decrease in the rate or amount of any tax or the repeal of an existing tax imposed on either party, by the enactment of a new tax, or by the subsequent application hereto of any existing tax.

ARTICLE XII BILLING, PAYMENT AND AUDIT

12.1 On or before the tenth day following the Month of deliveries of Gas hereunder, Seller shall deliver to Buyer a statement for the preceding Month properly identified as to the Delivery Point and applicable Transaction Confirmation showing the total quantity of Gas delivered and the amount due. If the actual quantity delivered is not available by the contractual billing date, billing will be prepared based on the Scheduled quantities. The Scheduled quantity will then be corrected to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

12.2 Buyer shall remit by wire transfer the amount due pursuant to Seller's invoice instructions, by the later of the 25th day of the Month in which the statement was rendered or ten calendar days after receipt of the statement by Buyer; provided that if the due date is not a Business Day, payment is due on the next Business Day following that date. If Buyer fails to remit the full amount payable by Buyer when due, interest on the unpaid portion shall accrue at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum from the date due until the date of payment, or (ii) the maximum applicable lawful interest rate. If Buyer, in good faith, disputes the amount of any such statement or any part thereof, Buyer will pay to Seller such amount as it concedes to be correct; provided, however, if Buyer disputes the amount due, Buyer must provide supporting documentation acceptable in industry practice from its Transporter to verify the amount paid. If it is ultimately determined that Buyer owes the disputed amount, Buyer will pay Seller that amount with interest as determined above immediately upon such determination.

12.3 The parties shall have the right, upon reasonable notice and at reasonable times, to examine the books and records of the other party to the extent reasonably necessary to verify (i) the accuracy of any statement, charge, payment, computation or other documentation made under the Contract or (ii) any curtailment of service under Section 3.2. Any such audit and any claim based upon errors in (i) or (ii), immediately above, must be made within two years of the date of such statement or any revision thereof or the last Day of the Month during which any such alleged unauthorized curtailment occurs. Following such two year period, a billing statement as adjusted shall be final. Errors in a party's favor shall be rectified in full, with interest as calculated above, by such party within 30 days of notice and substantiation of such inaccuracy.

12.4 The receipt of any invoice, statement, information concerning a transaction or the act of payment or partial payment shall not constitute accord and satisfaction, waiver, release, full payment, satisfaction, laches, estoppel or other defense to a claim by or against the Seller or Buyer for the true and actual amount accurately due and payable for the full period of two years in arrears.

ARTICLE XIII TITLE, WARRANTY AND INDEMNITY

13.1 Title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas at and after its delivery to Buyer at the Delivery Point(s).

13.2 Seller warrants that it will have good and merchantable title to or will have the right to deliver all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims.

13.3 Seller and Buyer each warrants that it is engaged in the direct commercial use of natural Gas in the ordinary course of its business, as producer, processor, merchant, or consumer or otherwise has knowledge of the practices associated with the purchase or sale of natural Gas. Each further warrants that it has and will maintain all the regulatory authorizations, certificates, and documentation as may be necessary and legally required to transport, buy, or make sales for resale of Gas sold or purchased hereunder.

13.4 If any claim related to the title to the Gas sold hereunder is asserted at any time, Buyer may withhold payment of up to the amount of such claim without interest, as security for the performance of Seller's obligations hereunder until such claim has been finally determined, or until Seller has furnished a bond or other acceptable assurances to Buyer under terms and conditions satisfactory to Buyer, and in an amount with surety satisfactory to Buyer.

13.5 Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims of title, personal injury or property damage from any or all persons to said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach at and after title passes to Buyer, subject to Seller's obligation regarding quality as set forth in Section 7.1.

ARTICLE XIV NOTICES

14.1 All Transaction Confirmations and other communications ("Communications") made pursuant to the Contract shall be sent or hand delivered to the other party at the address shown below:

Columbia Gas of Ohio, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Senior Gas Procurement Manager
Phone: 614-460-6227
Fax: 614-460-6442

Columbia Gas of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Senior Gas Procurement Manager
Phone: 614-460-6227
Fax: 614-460-6442

14.2 All invoices and payments shall be sent or hand delivered to the other party at the address shown below:

Columbia Gas of Ohio, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Gas Purchase Services Manager
Phone: 614-460-6225
Fax: 614-460-6442

Columbia Gas of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, Ohio 43215
Attn: Gas Purchase Services Manager
Phone: 614-460-6225
Fax: 614-460-6442

14.3 Either party may modify any information specified above by written notice to the other party, except changes to the payment information, which written notice must be notarized.

14.4 All Communications ("Notices") required hereunder may be sent by facsimile or generally accepted electronic means, a nationally recognized overnight courier service, first class mail or hand delivered. All invoices required hereunder may be sent by telecopier or generally accepted electronic means and followed by a nationally recognized overnight courier service, first class mail or hand delivered.

14.5 Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its telecopier's confirmation thereof. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice delivered by hand shall be deemed to be received at the time it is delivered to an officer or to a responsible employee of the receiving party. Notice via first class mail shall be considered delivered two Business Days after mailing.

ARTICLE XV FINANCIAL RESPONSIBILITY

15.1 Either party may request the following credit evaluation data of the other party; (i) a copy of the other party's current financial statement prepared within the twelve months; (ii) a copy of the other party's most recent Annual Report, and, if applicable, most recent Forms 10-Q and 10-K; provided that if the other party has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial statement and financial report, any current filings with regulatory agencies that discuss the other party's financial condition, and a detailed business description that includes the other party's corporate form, the number of years or months it has been in business, the nature of its business, and number of employees; (iii) a list of the other party affiliates, including any parent or subsidiary companies; (iv) the names, addresses and telephone numbers of three trade references with whom reasonable inquiry into the other party's credit-worthiness, and copies of any available reports from credit reporting and bond rating agencies.

15.2 When reasonable grounds for insecurity of payment arise either party may demand adequate assurance of performance. Adequate assurance shall mean sufficient security in the form and for the term reasonably acceptable to the demanding party, including, but not limited to, a standby irrevocable letter of credit, a prepayment or a guarantee by a credit worthy entity. In the event either party shall (i) make an assignment or any general arrangement for the benefit of creditors; (ii) default in the payment obligation to the other party; (iii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iv) otherwise become bankrupt or insolvent (however evidenced); (v) be unable to pay its debts as they fall due; or (vi) fail to give adequate assurance of its ability to perform its obligations under the Contract within forty-eight (48) hours of a reasonable request by the other party, then the other party shall have the right to either withhold and/or suspend deliveries, or terminate the Contract without prior notice, in addition to any and all other remedies available hereunder.

15.3 Each party reserves to itself all rights, set-offs, counterclaim, and other defenses which it is or may be entitled to arising from or out of the Contract.

ARTICLE XVI FORCE MAJEURE

16.1 Except with regard to a party's obligation to make payments due under the Contract, neither party shall be liable to the other for a failure to perform its obligations hereunder, if such failure was caused by Force Majeure. As used herein, the term "Force Majeure" shall mean an unforeseen occurrence or event beyond the control of the party claiming excuse which partially or entirely prevents that party's performance of its obligations, except the obligation to make payments due under any transaction.

16.2 The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notification with particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make/accept delivery of Gas to the extent and for the duration of Force Majeure and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

16.3 Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe, weather related events such as hurricanes or freezing or failure of wells or lines of pipe which affects an entire geographic region; (ii) acts of others such as strikes, lockouts, or other industrial disturbances, riots, sabotage, insurrections or wars; (iii) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; and (iv) any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party. Seller and Buyer shall make reasonable efforts to avoid Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

16.4 Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected from any or all of the following circumstances: (i) the sole or contributory negligence of the party claiming excuse; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; (iii) economic hardship. Force Majeure shall not excuse the party's, claiming Force Majeure, responsibility for Imbalance Charges, as set forth in Section 6.3. As soon as possible after the Force Majeure event shall have been remedied, the party claiming suspension shall likewise give notice to the effect that the same has been remedied and that such party has resumed, or is then in a position to resume, the performance of such covenants or obligations.

16.5 Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the party experiencing such disturbance.

ARTICLE XVII GOVERNMENTAL REGULATION

17.1 This Contract and all provisions herein will be subject to all present and future applicable and valid statutes, rules, orders and regulations of any Federal, State, or local governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Base Contract or Transaction Confirmation or any provisions thereof.

17.2 Each party certifies that, during the performance of this contract, its employment practices, pertaining to employees and applicants, shall comply with all federal, state and local laws and regulations regarding discrimination because of race, color, religion,

national origin, sex, age, disability or veteran status, including but not limited to the provisions of the Civil Rights Act of 1964, Fair Labor Standards Act of 1938, Americans with Disabilities Act of 1990, Executive Order 11246 of September 24, 1965, Family and Medical Leave Act of 1993, Code of Federal Regulations (CFR); 41 CFR Part 60-1, 41 CFR Part 60-250, and 41 CFR Part 60-741, all provisions as amended, and all provisions thereof being incorporated herein by reference.

17.3 Each party hereby represents and warrants that it will, to the greatest extent practical, consistent with efficient contract performance, provide small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals with the opportunity to participate in performing contracts or subcontracts related to this contract. Each party further states that it shall ensure timely payment of amounts due to any such contractor or subcontractor.

17.4 Neither party will be held in default for failure to perform under this Contract, if such failure is due to compliance with such rules, regulations, laws, orders or directives of any State, Federal or other governmental regulatory authority.

ARTICLE XVIII TERM

18.1 This Base Contract shall remain in effect for one month from the date hereof and from month to month thereafter unless terminated by either party on thirty (30) days advance written notice; provided, however, that, except as provided in Section 4.3 if one or more Transaction Confirmations are in effect, termination shall not be effective until the expiration of the latest Delivery Period of such Transaction Confirmation(s). The obligations of Buyer to make payment hereunder for Gas which has been delivered and the obligation of Seller to indemnify Buyer, and Buyer to indemnify Seller, pursuant hereto shall survive the termination or cancellation of the Contract or Transaction Confirmation.

ARTICLE XIX DISPUTE RESOLUTION

19.1 In the event a dispute arises between Buyer and Seller, or the successors or assigns of either of them, regarding the application or interpretation of any provision of this Base Contract or a Transaction Confirmation, the aggrieved party shall promptly notify the other party of its intent to invoke this dispute resolution procedure after such dispute arises. If the parties shall have failed to resolve the dispute within ten Business Days after delivery of such notice, each party shall, within five Business Days thereafter nominate an officer of its company to meet at a mutually agreed location to resolve the dispute.

ARTICLE XX MISCELLANEOUS

20.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld.

20.2 If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

20.3 No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Contract shall be taken and construed as cumulative.

20.4 This Contract sets forth all understandings between the parties respecting the subject matter of each transaction and any prior contracts, understandings and representations, whether oral or written, representing this subject matter are merged into and superseded by the Base Contract and any effective Transaction Confirmation(s). This Contract may only be amended in writing.

20.5 This Contract may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. As used herein, the singular of any term shall include the plural.

20.6 The interpretation and performance of this Contract shall be governed by the laws of Ohio, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

20.7 This Contract was prepared jointly by Seller and Buyer, and, in the event of doubt or ambiguity in the language of any of its provisions, shall be construed with equal strength in favor of both parties.

20.8 The terms of this Contract and of any Transaction Confirmation entered into pursuant hereto, including but not limited to the Contract Price, the Contract Quantity, the Delivery Period, the identified Transporter(s), and all other material terms thereof shall be kept confidential by the parties hereto for one year from the expiration of such Transaction, except to the extent that any information must be disclosed to a third party for the purpose of effectuating transportation of Gas subject to the Contract or to meet New York Mercantile Exchange requirements or governmental agency requirements or requests in civil or regulatory proceedings where necessary.

20.9 No party shall record any discussion between the parties' without first obtaining the written consent of the other party. The parties agree that any unauthorized recording may not be used in any proceedings between the parties.

20.10 Compliance with the confirmation procedures of Article I satisfies any "writing" requirements imposed under the Uniform Commercial Code or any other applicable contract law.

IN WITNESS WHEREOF, parties hereto have caused their names to be signed and executed in duplicate on this 26th day of October, 1998.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Harvey Robinson
Title: President and Chief Executive Officer

COLUMBIA GAS OF OHIO, INC.

By: James R. Lee
Title: Senior Vice President

EXHIBIT A

TRANSACTION CONFIRMATION

Date: _____, 199__
Seller's Transaction Confirmation #: _____
Buyer's Transaction Confirmation #: _____

Please deliver to _____ immediately. Please notify _____ in writing within two (2) Business Days if you are NOT in Agreement	
SELLER: Attn: _____ Phone: _____ Fax: _____	BUYER: Attn: _____ Phone: _____ Fax: _____
Contract Price: \$ _____/MMBtu	Delivery Period: From _____, 199__ to _____, 199__
Contract Quantity: ☐ _____ MMBtus/_____ (No Intra-month Swing) ☐ From _____ to _____ MMBtus/day (Intra-month Swing)	Performance Obligation: Select One ☐ Interruptible ☐ Secondary Firm ☐ Primary Firm ☐ EFP
(If a pooling point is used, list a specific geographic and pipeline location) Delivery Point(s): _____	
Special Conditions:	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____, 199__.	
By: (Buyer) _____ Title: _____ Date: _____	By: (Seller) _____ Title: _____ Date: _____



Mark R. Kempic
Senior Attorney
Legal Department

850 Washington Road
Pittsburgh, PA 15228
(412) 572.7142
Fax: (412) 572.7162
mkempic@nisource.com

March 4, 2004

RECEIVED

MAR 04 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

G-00041014

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
400 North Street,
Harrisburg, PA 17120

Re: Columbia Gas of Pennsylvania, Inc. – Affiliate Transaction

Dear Mr. McNulty:

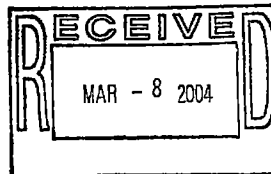
Enclosed for filing pursuant to 66 Pa. C.S.A. §2102, are the original and three copies of a Communication Facilities Co-Location Agreement between Columbia Gas of Pennsylvania, Inc. ("CPA") and its affiliated Columbia Gas Transmission Corporation. The agreement will enable CPA to install Supervisory Control and Data Acquisition ("SCADA") electronic equipment in a Columbia Gas Transmission Corporation building. This equipment is necessary for CPA's operation of its distribution system.

I have included an extra copy of the document. Please date stamp it and return it to me in the enclosed envelope. As always, if you have any questions please call me at 412.572.7142 or e-mail me at mkempic@nisource.com.

Sincerely,

Mark R. Kempic
Senior Attorney

Enclosures



cc: T. Murphy
T. Tokish
K. Christman
D. Haddad

RECEIVED

COMMUNICATION FACILITIES CO-LOCATION AGREEMENT MAR 04 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

This Communications Facilities Co-Location Agreement (including any attached exhibits, collectively, the "Agreement") is entered into this 5th day of February, 2004, by and between Columbia Gas of Pennsylvania, Inc. ("CPA") and Columbia Gas Transmission Corporation ("TCO") (collectively, the "Parties").

Purpose

CPA is a natural gas distribution company that wishes to locate advanced communications facilities, which are necessary for the provision of natural gas distribution services, at premises owned or leased by TCO as listed on Exhibit A, attached hereto.

Agreement

NOW THEREFORE, in consideration of the following mutual exchange of promises and covenants, the Parties agree as follows:

1. Services And Charges. TCO agrees to permit the installation of CPA-owned Supervisory Control and Data Acquisition ("SCADA") equipment and agrees to provide rights of access to the premises/buildings, rack space in the telecommunications room, power supply, mounting structures and the sharing of space for related facilities. CPA agrees to pay TCO \$ 8.00 (eight dollars) per square foot per year, which represents an allocated share of the depreciation and operating and maintenance expenses.
2. Term and Termination. This Agreement shall have no prescribed term, but may be terminated by either Party at any time upon reasonable notice. If the Federal Energy Regulatory Commission, Pennsylvania Public Utility Commission, a court of competent jurisdiction or other governmental entity with authority to do so issues a rule, regulation, law or order that has the effect of canceling, changing or superseding any

material term or provision of this Agreement (collectively, "Regulatory Requirement"), then this Agreement will be deemed modified in such a way as the Parties mutually agree is consistent with the form, intent and purpose of this Agreement and is necessary to comply with the Regulatory Requirement. If the Parties cannot agree to modifications necessary to comply with a Regulatory Requirement within 60 days after the Regulatory Requirement is effective, then upon written notice either Party may, to the extent practicable, terminate that portion of this Agreement impacted by the Regulatory Requirement.

3. **Limitation of Liability.** TCO does not accept any liability for the continuation or accuracy of any signal from the SCADA equipment. CPA warrants that use of the equipment will not create an unsafe operating condition on the TCO facilities to which the SCADA equipment is attached. CPA further agrees to hold TCO harmless from all liability, costs, damages and expenses resulting from the installation of the SCADA equipment on TCO's facilities.

4. **Billing and Payment.** Charges for the co-location of SCADA facilities will be billed from TCO as a debit to account 931 Rents and a credit to account 234 Inter-company TCO payable.

5. **Compliance with Laws.** During the term of this Agreement, the Parties shall comply with all local, state and federal laws and regulations applicable to this Agreement and to their respective businesses.

6. **Notices.** Whenever any notice or other communication or any other item is permitted or required to be given or delivered pursuant to this Agreement, this notice must be given in writing, and will be deemed to be delivered:

- A. when received, if delivered in person by hand delivery directly to the intended recipient (including by commercial delivery service);
- B. three days after being mailed, postage prepaid, by certified mail, return receipt requested;
- C. two days after being sent by a nationally recognized overnight courier such as FedEx; or
- D. when sent by facsimile and a confirmation of delivery is received by the sender.

Any such notice must be addressed, or faxed, as the case may be, as follows:

If to CPA:

Timothy J. Tokish, Jr.
General Manager
Columbia Gas of Pennsylvania, Inc.
650 Washington Road
Pittsburgh, PA
Phone: 412.572.7149
Fax: 412.572.7140

If to TCO:

Reed D. Robinson
Vice President – Engineering Services
Columbia Gas Transmission Corporation
P.O. Box 1273
Charleston, WV 25325-1273
Phone: (304) 357-3806
Fax: (304) 357-2644

7. **Force Majeure.** Neither Party shall be liable under this Agreement for delays, failures to perform, damages, losses or destruction, or malfunction of any equipment, or any consequence thereof, caused by, or due to causes beyond its reasonable control, such as acts of war, or terrorism, fire, earthquake, flood, water, the elements, acts of God, third Party labor disputes, utility curtailments, cable cuts, power failures, explosions, civil disturbances, vandalism, governmental actions, shortages of equipment or supplies, unavailability of transportation, or acts or omissions of third parties.

8. **Construction.** This Agreement shall be governed by the laws of the State of Pennsylvania without regard to any choice of law principles that could result in the

application of the laws of any other jurisdiction. This Agreement is the joint work product of both Parties. Accordingly, in the event of ambiguity, no presumption will be imposed against any Party by reason of document preparation.

9. **Counterparts.** This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

AGREED:

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Timothy J. Tokish Jr.
Name: Timothy J. Tokish Jr.
Title: General Manager

COLUMBIA GAS TRANSMISSION CORPORATION

By: Reed D. Robinson
Name: Reed D. Robinson
Title: Vice President

EXHIBIT A

List of Sites for Co-Location of Communications Facilities

Columbia Gas Transmission Corporation Metering Station, North York, Pennsylvania



Mark R. Kempic
Senior Attorney
Legal Department

650 Washington Road
Pittsburgh, PA 15228
(412) 572.7142
Fax: (412) 572.7162
mkempic@nsource.com

June 14, 2004

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
400 North Street,
Harrisburg, PA 17120

RECEIVED

JUN 14 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUHLAU

Re: Columbia Gas of Pennsylvania, Inc. – Affiliate Transaction

Dear Mr. McNulty:

Enclosed for filing pursuant to 66 Pa. C.S.A. §2102, are the original and three copies of a Service Agreement between NiSource Corporate Services Company and Columbia Gas of Pennsylvania, Inc. ("CPA"). This Agreement will enable NiSource Corporate Services Company to provide certain services to CPA and provides that said services shall be billed to CPA at cost in accordance with methods approved by the Securities and Exchange Commission. This agreement replaces the existing "Service Agreement between Columbia Gas System Service Corporation and Columbia Gas of Pennsylvania, Inc." that was previously reviewed by the Pennsylvania Public Utility Commission in Case Number 943001.

The agreement shall be executed upon approval by the Pennsylvania Public Utility Commission as well as upon receipt of any other necessary approvals. I have included an extra copy of the document. Please date stamp it and return it to me in the enclosed envelope. As always, if you have any questions please call me at 412.572.7142 or e-mail me at mkempic@nsource.com.

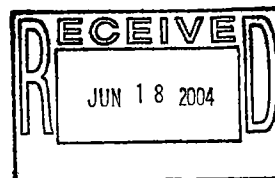
Sincerely,

A handwritten signature in cursive script that reads "Mark Kempic".

Mark R. Kempic
Senior Attorney

Enclosures

cc: T. Murphy
S. Patterson
K. Christman
D. Haddad
S. Hasson



Service Agreement

BETWEEN

NISOURCE CORPORATE SERVICES COMPANY

AND

COLUMBIA GAS OF PENNSYLVANIA, INC.

Dated [____], 2004

(To Take Effect Pursuant to Article 3 Hereof)

RECEIVED

JUN 14 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into this _____, 2004 by and between Columbia Gas of Pennsylvania, Inc., its subsidiaries, affiliates and associates ("Client", and together with other associate companies that have or may in the future execute this form of Service Agreement, the "Clients") and NiSource Corporate Services Company ("Company").

WITNESSETH:

WHEREAS, the Securities and Exchange Commission ("SEC") has approved and authorized as meeting the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 ("Act") the organization and conduct of the business of the Company, in accordance herewith, as a wholly-owned subsidiary service company of NiSource Inc. ("NiSource"), including the allocation of all Company costs by using the methods approved by the Securities and Exchange Commission ("SEC Method");

WHEREAS, Client is an affiliate of the Company; and

WHEREAS, the Company and Client agree to enter into this Service Agreement whereby the Client may seek certain services from the Company and the Company agrees to provide such services upon request and upon the Company's conclusion that it is able to perform such services. Further, the Client agrees to pay for the services as provided herein at cost, with cost determined in accordance with applicable rules and regulations under the Act, which require the Company to fairly and equitably allocate costs among all Clients to which it renders services; and

WHEREAS, the rendition of such services set forth in Article 2 of Appendix A on a centralized basis enables the Clients to realize economic and other benefits through (1) efficient use of personnel and equipment, (2) coordination of analysis and planning, and (3) availability of specialized personnel and equipment which the Clients cannot economically maintain on an individual basis.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE 1

SERVICES

1.1 The Company shall furnish to Client, as requested by Client, upon the terms and conditions hereinafter set forth, such of the services described in Section 2 of Appendix A hereto (the "Services"), at such times, for such periods and in such manner as Client may from time to time request and that the Company concludes it is able to perform. The Company shall also provide Client with such services, in addition to those services described in Appendix A hereto, as may be requested by Client and that the Company concludes it is able to perform. In supplying such services, the Company may arrange, where it deems appropriate in consultation with Client,

for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services ("Additional Services").

1.2 Client shall take from the Company such of the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by Client and that the Company concludes it is able to perform.

1.3 The cost of the Services described herein or contemplated to be performed hereunder shall be allocated to Client in accordance with the SEC Method. Client shall have the right from time to time to amend or alter any activity, project, program or work order provided that (i) Client pays and remunerates the Company the full cost for the services covered by the activity, project, program or work order, including therein any expense incurred by the Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) Client accepts that no amendment or alteration of an activity, project, program or work order shall release Client from liability for all costs already incurred by or contracted for by the Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

1.4 The Company shall hire, train and maintain an experienced staff able to perform the Services, or shall obtain experience through third-party resources, as it shall determine in consultation with Client.

ARTICLE 2

COMPENSATION

2.1 As compensation for the Services to be rendered hereunder, Client shall compensate and pay to the Company all costs, reasonably identifiable and related to particular Services performed by the Company for or on Client's behalf. The methods for allocating the Company costs to Client, as well as to other associate companies, are set forth in Appendix A.

2.2 It is the intent of this Service Agreement that charges for Services shall be billed, to the extent possible, directly to the Client or Clients benefiting from such Service. Any amounts remaining after such direct billing shall be allocated using the methods identified in Appendix A. The methods of allocation of cost shall be subject to review annually, or more frequently if appropriate. Such methods of allocation of costs may be modified or changed by the Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably allocated, all in accordance with the requirements of the Act and any orders promulgated thereunder. The Company shall review with the Client any proposed change in the methods of allocation of costs hereunder and the parties must agree to any such changes before they are implemented.

2.3 The Company shall render a monthly report to Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake an immediate review of the report and identify all questions or concerns

regarding the charges reflected within ten (10) days of receipt of the report. If no concerns are identified within that time, Client shall remit to the Company all charges billed to it within 30 days of receipt of the monthly report.

2.4 Client agrees to provide the Company, from time to time, as requested such financial and statistical information as the Company may need to compute the charges payable by Client consistent with the method of allocation set forth on Appendix A.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Company to Client under this Service Agreement shall cover all the costs of its doing business including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee and retiree pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted under the Act.

ARTICLE 3

TERM

3.1 This Service Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from the State Commissions and the SEC, and shall continue in force until terminated by the Company or Client, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with (1) the Act or with any rule, regulation or order of the SEC adopted before or after the date of this Service Agreement, or (2) any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more Clients. Further, this Service Agreement shall be terminated with respect to the Client immediately upon the Client ceasing to be an associate company of the Company. The parties' obligations under this Service Agreement which by their nature are intended to continue beyond the termination or expiration of this Service Agreement shall survive such termination or expiration.

ARTICLE 4

SERVICE REVIEW

4.1 On an annual basis, the Company and Client shall meet to assess the quality of the Services being provided pursuant to this Service Agreement and to determine the continued need therefor and shall, subject to Section 1.1, above, amend the scope of services, delete services entirely from this Service Agreement, and/or decline services as they determine to be necessary or desirable.

4.2 NiSource maintains an Internal Audit Department that will conduct periodic audits of the Company administration and accounting processes ("Audits"). The Audits will include examinations of Service Agreements, accounting systems, source documents, methods of allocation of costs and billings to ensure all Services are properly accounted for and billed to the

appropriate Client. In addition, the Company's policies, operating procedures and controls will be evaluated annually. Copies of the reports generated by the Company as part of the Audits will be provided to Client upon request.

ARTICLE 5

MISCELLANEOUS

5.1 All accounts and records of the Company shall be kept in accordance with the General Rules and Regulations promulgated by the SEC pursuant to the Act, in particular, the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies in effect from and after the date hereof.

5.2 New direct or indirect subsidiaries of NiSource Inc., which may come into existence after the effective date of this Service Agreement, may become additional Clients of the Company and subject to a service agreement with the Company. The parties hereto shall make such changes in the scope and character of the services to be rendered and the method of allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client ceases to be associated with the Company.

5.3 The Company shall permit Client reasonable access to its accounts and records including the basis and computation of allocations.

5.4 The Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
as of the date and year first above written.

NISOURCE CORPORATE SERVICES
COMPANY

By: _____
Name:
Its:

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: _____
Name:
Its:

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1

DEFINITIONS

- 1 The term "Company" shall mean NiSource Corporate Services Company and its successors.
- 2 The term "Service Agreement" shall mean an agreement, of which this Appendix A constitutes a part, for the rendition of services by the Company.
- 3 The term "Client" shall mean any corporation to which services may be rendered by the Company under a Service Agreement.

ARTICLE 2

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

1 *Accounting and Statistical Services.* The Company provides services related to developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. The Company also ensures compliance with generally accepted accounting principles and provides guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. The Company advises and assists the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.

2 *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client, and will coordinate the audit programs of the Clients with those of the independent accountants in the annual examination of their accounts.

3 *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of budgets and budgetary controls.

4 *Business Promotion Services.* The Company will advise and assist the Clients in the preparation and use of advertising, in the development of residential, commercial and industrial business, and in the rendering of aid to local appliance distributors and dealers in the advertising and promotion of appliance sales.

5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters and with proceedings involving regulatory bodies.

6 *Depreciation Services.* The Company will advise and assist the Clients in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients; and (3) dissemination to the Clients of information concerning current developments in depreciation practices.

7 *Economic Services.* The Company will advise and assist the Clients in matters involving economic research and planning and in the development of specific economic studies.

8 *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

9 *Employee Services.* The Company will advise and assist the Clients in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare and employee benefits.

10 *Engineering and Research Services.* The Company will advise and assist the Clients in connection with the engineering phases of all construction and operating matters, including estimates of costs of construction, preparation of plans and designs, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients.

11 *Gas Dispatching Services.* The Company will advise and assist the Clients in the dispatching of the gas supplies available to the Clients, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

12 *Information Technology Services.* The Company provides Clients daily operational control, monitoring, data access security, disaster recovery planning, technical research, and support services to all users of the corporate network computing environment within the Company. The Company also assists the Client with application development, maintenance, and ongoing production support for a portfolio of systems that are used by the Clients. In addition, the Company will provide the Clients with an ongoing evaluation and monitoring of the network computing environment to ensure efficient use of hardware and that

timely upgrades are made to meet the demands of the Clients. The Company also maintains information concerning the disposition and location of Information Technology assets.

13 *Information Services.* The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

14 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

15 *Legal Services.* The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice (relating to the all aspects of SEC compliance, PUHCA, FERC, FPA, PURPA), bankruptcy and collection matters, employment and labor relations investigations, union contracting, EEOC issues, and all other matters for which Clients require such legal services.

16 *Office Space.* As may from time to time be available, the Company will provide suitable space in its offices for the use of the Clients and their officers and employees.

17 *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4, and the Client shall not be required to pay any compensation directly to any such person.

18 *Operation and Planning Services.* The Company will advise and assist the Clients in connection with estimates of gas requirements and gas available, gas transmission, measurement, storage and distribution, construction requirements, negotiation of gas purchase and sale contracts, energy marketing and trading and other operating matters.

19 *Purchasing and Storage Services.* The Company will render advice and assistance to the Clients in connection with the standardization, purchase and storage of equipment, materials and supplies, and, upon request of the Client, the negotiation of purchases and the placing of purchase orders for account of the Client.

20 *Rate Services.* The Company will advise and assist the Clients in all rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities.

21 *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

22 *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

23 *Treasury Services.* The Company provides services such as cash management, long and short term financing for NiSource and all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, special economic studies as requested, and support for various regulatory proceedings, as requested.

24 *Land/Surveying Services.* The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing, maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

25 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, as may properly be rendered by the Company to such Client within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3

ALLOCATION METHODS

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company rendering services hereunder is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients.* To the extent that the time spent by such officers and employees is related to services rendered to the Clients generally, or to any specified group of the Clients, a direct salary charge, computed as provided in Article 4, shall be made to the Clients generally, or to such specified group of the Clients, and allocated to each such Client using an allocation method approved by the Securities and Exchange Commission as set forth on Exhibit A hereto.

3 *Direct Salary Charges for Services to the Company.* To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 shall be allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 *Apportionment of Employee Benefits.* The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 shall

be apportioned among the Clients, as applicable, in the proportions which the respective direct salary charges made pursuant to the rendering of such services to each such Client bear to the aggregate of such direct salary charges.

5 *Other Expenses.* All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients generally or to any specified group of Clients shall be apportioned in the manner set forth in Section 2 of this Article 3 for the apportionment of salary charges. All such expenses incurred by the Company in connection with services rendered to the Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

ARTICLE 4

COMPUTATION OF SALARY CHARGES

Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

Exhibit A

BASES OF ALLOCATION

The SEC approved Bases of Allocation shown below will be used by the Corporate Services Accounting Department for apportioning Job Order charges to affiliates.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates.

BASIS 2

GROSS FIXED ASSETS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Job order charges will be allocated to each benefited affiliate on the basis of the relationship of its total depreciable property to the sum of the total depreciable property of all benefited affiliates.

BASIS 9

AUTOMOBILE UNITS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates.

BASIS 13

FIXED ALLOCATION

- Job order charges will be allocated to each benefitted affiliate on the basis of fixed percentages on an individual project basis.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefitted affiliates.

BASIS 20

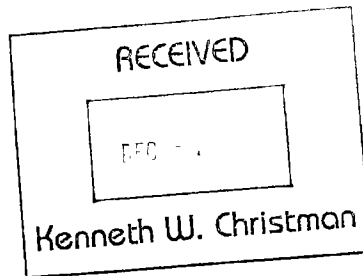
DIRECT COSTS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its direct costs billed by Service Corporation to the total of all direct costs billed by Service Corporation.

CH2\698623 7



Mark R. Kempic
Senior Attorney
Legal Department



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Canonsburg, PA 15317
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Fax: 724.416.6384
mkempic@nsource.com

November 24, 2004

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
400 North Street,
Harrisburg, PA 17120

Re: Columbia Gas of Pennsylvania, Inc. – Affiliate Transaction
Docket No. G-00041067

Dear Mr. McNulty:

Enclosed for filing pursuant to 66 Pa. C.S.A §2102, are the original and three copies of Service Agreement between NiSource Corporate Services Company and Columbia Gas of Pennsylvania, Inc. ("Service Agreement"). As discussed below, this filing amends a recent filing made in the above-stated docket.

On June 14, 2004, Columbia Gas of Pennsylvania, Inc. filed with the Public Utility Commission ("Commission") a "Service Agreement between NiSource Corporate Services Company and Columbia Gas of Pennsylvania, Inc." ("CPA"). CPA provided responses to the Commission's data requests on August 2, 2004 and the Commission subsequently approved the Service Agreement on August 26, 2004.

In the transmittal letter to the June filing and in CPA's response to the Commission's data request (response number FUS-9), CPA noted that the Service Agreement shall be executed upon approval by the Pennsylvania Public Utility Commission as well as upon receipt of any other necessary regulatory approvals. Since the time of the Commission's approval, the Securities and Exchange Commission notified NiSource Inc., the corporate parent of NiSource Corporate Services Company and Columbia Gas of Pennsylvania, Inc., that it desired some changes to the language contained in the Appendix to the Service Agreement. The changes have been made to the Service Agreement and CPA is submitting the modified Service Agreement for approval by the Pennsylvania Public Utility Commission.

For your convenience, in addition to the modified version of the Service Agreement, I have included copies of a redline version which compares the new Service Agreement to

the one filed on June 14, 2004. As stated in the June filing, the Service Agreement will enable NiSource Corporate Services Company to provide certain services to CPA and provides that said services shall be billed to CPA at cost in accordance with methods approved by the Securities and Exchange Commission. This is true for the modified Service Agreement as well. This modified Service Agreement replaces the existing "Service Agreement between Columbia Gas System Service Corporation and Columbia Gas of Pennsylvania, Inc." that was previously reviewed by the Pennsylvania Public Utility Commission in Case Number 943001.

The Service Agreement shall be executed upon approval by the Pennsylvania Public Utility Commission as well as upon receipt of any other necessary approvals. I have included an extra copy of the Service agreement and the redline version. Please date stamp it and return them to me in the enclosed envelope. As always, if you have any questions please call me at 724.416.6328 or e-mail me at mkempic@nisource.com.

Sincerely,



Mark R. Kempic
Senior Attorney

Enclosures

cc: T. Murphy
S. Patterson
K. Christman
D. Haddad
S. Hasson

REVISED AGREEMENT

between

**NISOURCE CORPORATE SERVICES
COMPANY**

and

**COLUMBIA GAS OF PENNSYLVANIA,
INC.**

NOVEMBER 24, 2004

Service Agreement
BETWEEN
NISOURCE CORPORATE SERVICES COMPANY
AND

[_____]

Dated [____], 2004

(To Take Effect Pursuant to Article 3 Hereof)

SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into this _____, 2004 by and between _____, its subsidiaries, affiliates and associates ("Client", and together with other associate companies that have or may in the future execute this form of Service Agreement, the "Clients") and NiSource Corporate Services Company ("Company").

WITNESSETH:

WHEREAS, the Securities and Exchange Commission ("SEC") has approved and authorized as meeting the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 ("Act") the organization and conduct of the business of the Company, in accordance herewith, as a wholly-owned subsidiary service company of NiSource Inc. ("NiSource"), including the allocation of all Company costs by using the methods approved by the Securities and Exchange Commission ("SEC Method");

WHEREAS, Client is an affiliate of the Company; and

WHEREAS, the Company and Client agree to enter into this Service Agreement whereby the Client may seek certain services from the Company and the Company agrees to provide such services upon request and upon the Company's conclusion that it is able to perform such services. Further, the Client agrees to pay for the services as provided herein at cost, with cost determined in accordance with applicable rules and regulations under the Act, which require the Company to fairly and equitably allocate costs among all Clients to which it renders services; and

WHEREAS, the rendition of such services set forth in Article 2 of Appendix A on a centralized basis enables the Clients to realize economic and other benefits through (1) efficient use of personnel and equipment, (2) coordination of analysis and planning, and (3) availability of specialized personnel and equipment which the Clients cannot economically maintain on an individual basis.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE 1

SERVICES

1.1 The Company shall furnish to Client, as requested by Client, upon the terms and conditions hereinafter set forth, such of the services described in Section 2 of Appendix A hereto (the "Services"), at such times, for such periods and in such manner as Client may from time to time request and that the Company concludes it is able to perform. The Company shall also provide Client with such services, in addition to those services described in Appendix A hereto, as may be requested by Client and that the Company concludes it is able to perform. In supplying such services, the Company may arrange, where it deems appropriate in consultation with Client,

for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services ("Additional Services").

1.2 Client shall take from the Company such of the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by Client and that the Company concludes it is able to perform.

1.3 The cost of the Services described herein or contemplated to be performed hereunder shall be allocated to Client in accordance with the SEC Method. Client shall have the right from time to time to amend or alter any activity, project, program or work order provided that (i) Client pays and remunerates the Company the full cost for the services covered by the activity, project, program or work order, including therein any expense incurred by the Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) Client accepts that no amendment or alteration of an activity, project, program or work order shall release Client from liability for all costs already incurred by or contracted for by the Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

1.4 The Company shall hire, train and maintain an experienced staff able to perform the Services, or shall obtain experience through third-party resources, as it shall determine in consultation with Client.

ARTICLE 2

COMPENSATION

2.1 As compensation for the Services to be rendered hereunder, Client shall compensate and pay to the Company all costs, reasonably identifiable and related to particular Services performed by the Company for or on Client's behalf. The methods for allocating the Company costs to Client, as well as to other associate companies, are set forth in Appendix A.

2.2 It is the intent of this Service Agreement that charges for Services shall be billed, to the extent possible, directly to the Client or Clients benefiting from such Service. Any amounts remaining after such direct billing shall be allocated using the methods identified in Appendix A. The methods of allocation of cost shall be subject to review annually, or more frequently if appropriate. Such methods of allocation of costs may be modified or changed by the Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably allocated, all in accordance with the requirements of the Act and any orders promulgated thereunder. The Company shall review with the Client any proposed change in the methods of allocation of costs hereunder and the parties must agree to any such changes before they are implemented.

2.3 The Company shall render a monthly report to Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake an immediate review of the report and identify all questions or concerns

regarding the charges reflected within ten (10) days of receipt of the report. If no concerns are identified within that time, Client shall remit to the Company all charges billed to it within 30 days of receipt of the monthly report.

2.4 Client agrees to provide the Company, from time to time, as requested such financial and statistical information as the Company may need to compute the charges payable by Client consistent with the method of allocation set forth on Appendix A.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Company to Client under this Service Agreement shall cover all the costs of its doing business including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee and retiree pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted under the Act.

ARTICLE 3

TERM

3.1 This Service Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from the State Commissions and the SEC, and shall continue in force until terminated by the Company or Client, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with (1) the Act or with any rule, regulation or order of the SEC adopted before or after the date of this Service Agreement, or (2) any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more Clients. Further, this Service Agreement shall be terminated with respect to the Client immediately upon the Client ceasing to be an associate company of the Company. The parties' obligations under this Service Agreement which by their nature are intended to continue beyond the termination or expiration of this Service Agreement shall survive such termination or expiration.

ARTICLE 4

SERVICE REVIEW

4.1 On an annual basis, the Company and Client shall meet to assess the quality of the Services being provided pursuant to this Service Agreement and to determine the continued need therefor and shall, subject to Section 1.1, above, amend the scope of services, delete services entirely from this Service Agreement, and/or decline services as they determine to be necessary or desirable.

4.2 NiSource maintains an Internal Audit Department that will conduct periodic audits of the Company administration and accounting processes ("Audits"). The Audits will include examinations of Service Agreements, accounting systems, source documents, methods of allocation of costs and billings to ensure all Services are properly accounted for and billed to the appropriate Client. In addition, the Company's policies, operating procedures and controls will be evaluated annually. Copies of the reports generated by the Company as part of the Audits will be provided to Client upon request.

ARTICLE 5

MISCELLANEOUS

5.1 All accounts and records of the Company shall be kept in accordance with the General Rules and Regulations promulgated by the SEC pursuant to the Act, in particular, the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies in effect from and after the date hereof.

5.2 New direct or indirect subsidiaries of NiSource Inc., which may come into existence after the effective date of this Service Agreement, may become additional Clients of the Company and subject to a service agreement with the Company. The parties hereto shall make such changes in the scope and character of the services to be rendered and the method of allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client ceases to be associated with the Company.

5.3 The Company shall permit Client reasonable access to its accounts and records including the basis and computation of allocations.

5.4 The Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
as of the date and year first above written.

NISOURCE CORPORATE SERVICES
COMPANY

By: _____
Name:
Its:

[_____]

By: _____
Name:
Its:

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1

DEFINITIONS

- 1 The term "Company" shall mean NiSource Corporate Services Company and its successors.
- 2 The term "Service Agreement" shall mean an agreement, of which this Appendix A constitutes a part, for the rendition of services by the Company.
- 3 The term "Client" shall mean any corporation to which services may be rendered by the Company under a Service Agreement.

ARTICLE 2

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

- 1 *Accounting and Statistical Services.* The Company provides services related to developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. The Company also ensures compliance with generally accepted accounting principles and provides guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. The Company advises and assists the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.
- 2 *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client, and will coordinate the audit programs of the Clients with those of the independent accountants in the annual examination of their accounts.
- 3 *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of budgets and budgetary controls.

4 *Business Promotion Services.* The Company will advise and assist the Clients in the preparation and use of advertising, in the development of residential, commercial and industrial business, and in the rendering of aid to local appliance distributors and dealers in the advertising and promotion of appliance sales.

5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters and with proceedings involving regulatory bodies.

6 *Depreciation Services.* The Company will advise and assist the Clients in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients; and (3) dissemination to the Clients of information concerning current developments in depreciation practices.

7 *Economic Services.* The Company will advise and assist the Clients in matters involving economic research and planning and in the development of specific economic studies.

8 *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

9 *Employee Services.* The Company will advise and assist the Clients in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare and employee benefits.

10 *Engineering and Research Services.* The Company will advise and assist the Clients in connection with the engineering phases of all construction and operating matters, including estimates of costs of construction, preparation of plans and designs, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients.

11 *Gas Dispatching Services.* The Company will advise and assist the Clients in the dispatching of the gas supplies available to the Clients, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

12 *Information Technology Services.* The Company provides Clients daily operational control, monitoring, data access security, disaster recovery planning, technical research, and support services to all users of the corporate network computing environment within the Company. The Company also assists the Client with application development, maintenance, and ongoing production support for a portfolio of systems that are used by the Clients. In addition, the Company will provide the Clients with an ongoing evaluation and monitoring of the network computing environment to ensure efficient use of hardware and that

timely upgrades are made to meet the demands of the Clients. The Company also maintains information concerning the disposition and location of Information Technology assets.

13 *Information Services.* The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

14 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

15 *Legal Services.* The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice (relating to the all aspects of SEC compliance, PUHCA, FERC, FPA, PURPA), bankruptcy and collection matters, employment and labor relations investigations, union contracting, EEOC issues, and all other matters for which Clients require such legal services.

16 *Office Space.* As may from time to time be available, the Company will provide suitable space in its offices for the use of the Clients and their officers and employees.

17 *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4, and the Client shall not be required to pay any compensation directly to any such person.

18 *Operation and Planning Services.* The Company will advise and assist the Clients in connection with estimates of gas requirements and gas available, gas transmission, measurement, storage and distribution, construction requirements, negotiation of gas purchase and sale contracts, energy marketing and trading and other operating matters.

19 *Purchasing and Storage Services.* The Company will render advice and assistance to the Clients in connection with the standardization, purchase and storage of equipment, materials and supplies, and, upon request of the Client, the negotiation of purchases and the placing of purchase orders for account of the Client.

20 *Rate Services.* The Company will advise and assist the Clients in all rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities.

21 *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

22 *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

23 *Treasury Services.* The Company provides services such as cash management, long and short term financing for NiSource and all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, special economic studies as requested, and support for various regulatory proceedings, as requested.

24 *Land/Surveying Services.* The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing, maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

25 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, as may properly be rendered by the Company to such Client within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3

ALLOCATION METHODS

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company rendering services hereunder is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients.* To the extent that the time spent by such officers and employees is related to services rendered to the Clients generally, or to any specified group of the Clients, a direct salary charge, computed as provided in Article 4, shall be made to the Clients generally, or to such specified group of the Clients, and allocated to each such Client using an allocation method approved by the Securities and Exchange Commission as set forth on Exhibit A hereto.

3 *Direct Salary Charges for Services to the Company.* To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 shall be allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 *Apportionment of Employee Benefits.* The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 shall

be apportioned among the Clients, as applicable, in the proportions which the respective direct salary charges made pursuant to the rendering of such services to each such Client bear to the aggregate of such direct salary charges.

5 *Other Expenses.* All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients generally or to any specified group of Clients shall be apportioned in the manner set forth in Section 2 of this Article 3 for the apportionment of salary charges. All such expenses incurred by the Company in connection with services rendered to the Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

ARTICLE 4

COMPUTATION OF SALARY CHARGES

Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

Exhibit A

BASES OF ALLOCATION

The SEC approved Bases of Allocation shown below will be used by the Corporate Services Accounting Department for apportioning Job Order charges to affiliates. Any change in an allocation method that causes either a \$50,000 or 5% change in the cost that would be charged to a company must be brought to the SEC for approval under the 60-Day Letter process.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates. All companies may be included in this allocation.

BASIS 2

GROSS FIXED ASSETS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates. All companies may be included in this allocation.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Job order charges will be allocated to each benefited affiliate on the basis of the relationship of its total depreciable property to the sum of the total depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 9

AUTOMOBILE UNITS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates. All companies may be included in this allocation.

BASIS 10

NUMBER OF RETAIL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of retail customers to the total number of all retail customers of the benefited affiliates. All companies may be included in this allocation.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All companies may be included in this allocation.

BASIS 13

FIXED ALLOCATION

- Job order charges will be allocated to each benefited affiliate on the basis of fixed percentages on an individual project basis. All companies may be included in this allocation.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 20

DIRECT COSTS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its direct costs billed by Service Corporation to the total of all direct costs billed by Service Corporation. All companies may be included in this allocation.

Service Agreement

BETWEEN

NISOURCE CORPORATE SERVICES COMPANY

AND

COLUMBIA GAS OF PENNSYLVANIA, INC.

Dated December 15, 2005

(To Take Effect Pursuant to Article 3 Hereof)

SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into this 17th day of December, 2005 by and between Columbia Gas of Pennsylvania, Inc., its subsidiaries, affiliates and associates ("Client", and together with other associate companies that have or may in the future execute this form of Service Agreement, the "Clients") and NiSource Corporate Services Company ("Company").

WITNESSETH:

WHEREAS, the Securities and Exchange Commission ("SEC") has approved and authorized as meeting the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 ("Act") the organization and conduct of the business of the Company, in accordance herewith, as a wholly-owned subsidiary service company of NiSource Inc. ("NiSource"), including the allocation of all Company costs by using the methods approved by the Securities and Exchange Commission ("SEC Method");

WHEREAS, Client is an affiliate of the Company; and

WHEREAS, the Company and Client agree to enter into this Service Agreement whereby the Client may seek certain services from the Company and the Company agrees to provide such services upon request and upon the Company's conclusion that it is able to perform such services. Further, the Client agrees to pay for the services as provided herein at cost, with cost determined in accordance with applicable rules and regulations under the Act, which require the Company to fairly and equitably allocate costs among all Clients to which it renders services; and

WHEREAS, the rendition of such services set forth in Article 2 of Appendix A on a centralized basis enables the Clients to realize economic and other benefits through (1) efficient use of personnel and equipment, (2) coordination of analysis and planning, and (3) availability of specialized personnel and equipment which the Clients cannot economically maintain on an individual basis.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE 1

SERVICES

1.1 The Company shall furnish to Client, as requested by Client, upon the terms and conditions hereinafter set forth, such of the services described in Section 2 of Appendix A hereto (the "Services"), at such times, for such periods and in such manner as Client may from time to time request and that the Company concludes it is able to perform. The Company shall also provide Client with such services, in addition to those services described in Appendix A hereto, as may be requested by Client and that the Company concludes it is able to perform. In supplying such services, the Company may arrange, where it deems appropriate in consultation with Client,

for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services ("Additional Services").

1.2 Client shall take from the Company such of the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by Client and that the Company concludes it is able to perform.

1.3 The cost of the Services described herein or contemplated to be performed hereunder shall be allocated to Client in accordance with the SEC Method. Client shall have the right from time to time to amend or alter any activity, project, program or work order provided that (i) Client pays and remunerates the Company the full cost for the services covered by the activity, project, program or work order, including therein any expense incurred by the Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) Client accepts that no amendment or alteration of an activity, project, program or work order shall release Client from liability for all costs already incurred by or contracted for by the Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

1.4 The Company shall hire, train and maintain an experienced staff able to perform the Services, or shall obtain experience through third-party resources, as it shall determine in consultation with Client.

ARTICLE 2

COMPENSATION

2.1 As compensation for the Services to be rendered hereunder, Client shall compensate and pay to the Company all costs, reasonably identifiable and related to particular Services performed by the Company for or on Client's behalf. The methods for allocating the Company costs to Client, as well as to other associate companies, are set forth in Appendix A.

2.2 It is the intent of this Service Agreement that charges for Services shall be billed, to the extent possible, directly to the Client or Clients benefiting from such Service. Any amounts remaining after such direct billing shall be allocated using the methods identified in Appendix A. The methods of allocation of cost shall be subject to review annually, or more frequently if appropriate. Such methods of allocation of costs may be modified or changed by the Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably allocated, all in accordance with the requirements of the Act and any orders promulgated thereunder. The Company shall review with the Client any proposed change in the methods of allocation of costs hereunder and the parties must agree to any such changes before they are implemented.

2.3 The Company shall render a monthly report to Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake an immediate review of the report and identify all questions or concerns

regarding the charges reflected within ten (10) days of receipt of the report. If no concerns are identified within that time, Client shall remit to the Company all charges billed to it within 30 days of receipt of the monthly report.

2.4 Client agrees to provide the Company, from time to time, as requested such financial and statistical information as the Company may need to compute the charges payable by Client consistent with the method of allocation set forth on Appendix A.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Company to Client under this Service Agreement shall cover all the costs of its doing business including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee and retiree pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted under the Act.

ARTICLE 3

TERM

3.1 This Service Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from the State Commissions and the SEC, and shall continue in force until terminated by the Company or Client, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with (1) the Act or with any rule, regulation or order of the SEC adopted before or after the date of this Service Agreement, or (2) any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more Clients. Further, this Service Agreement shall be terminated with respect to the Client immediately upon the Client ceasing to be an associate company of the Company. The parties' obligations under this Service Agreement which by their nature are intended to continue beyond the termination or expiration of this Service Agreement shall survive such termination or expiration.

ARTICLE 4

SERVICE REVIEW

4.1 On an annual basis, the Company and Client shall meet to assess the quality of the Services being provided pursuant to this Service Agreement and to determine the continued need therefor and shall, subject to Section 1.1, above, amend the scope of services, delete services entirely from this Service Agreement, and/or decline services as they determine to be necessary or desirable.

4.2 NiSource maintains an Internal Audit Department that will conduct periodic audits of the Company administration and accounting processes ("Audits"). The Audits will include examinations of Service Agreements, accounting systems, source documents, methods of allocation of costs and billings to ensure all Services are properly accounted for and billed to the appropriate Client. In addition, the Company's policies, operating procedures and controls will be evaluated annually. Copies of the reports generated by the Company as part of the Audits will be provided to Client upon request.

ARTICLE 5

MISCELLANEOUS

5.1 All accounts and records of the Company shall be kept in accordance with the General Rules and Regulations promulgated by the SEC pursuant to the Act, in particular, the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies in effect from and after the date hereof.

5.2 New direct or indirect subsidiaries of NiSource Inc., which may come into existence after the effective date of this Service Agreement, may become additional Clients of the Company and subject to a service agreement with the Company. The parties hereto shall make such changes in the scope and character of the services to be rendered and the method of allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client ceases to be associated with the Company.

5.3 The Company shall permit Client reasonable access to its accounts and records including the basis and computation of allocations.

5.4 The Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
as of the date and year first above written.

NISOURCE CORPORATE SERVICES
COMPANY

By: Susanne M. Taylor
Name: Susanne M. Taylor
Its: Controller

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Terrence J. Murphy
Name: Terrence J. Murphy
Its: President

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1

DEFINITIONS

- 1 The term "Company" shall mean NiSource Corporate Services Company and its successors.
- 2 The term "Service Agreement" shall mean an agreement, of which this Appendix A constitutes a part, for the rendition of services by the Company.
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ARTICLE 2

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

1 *Accounting and Statistical Services.* The Company will advise and assist the Clients in all aspects of accounting, including financial accounting, plant accounting, regulatory accounting, tax accounting, maintenance of books and records, safeguarding of assets, accounts payable, accounts receivable, reconciliations, accounting research, reporting, operations and maintenance analysis, and related accounting functions. The Company will also provide services related to developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. The Company will ensure compliance with generally accepted accounting principles and provide guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. The Company will advise and assist the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.

2 *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client, and will coordinate the audit programs of the Clients with those of the independent accountants in the annual examination of their accounts.

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5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters and with proceedings involving regulatory bodies.

6 *Depreciation Services.* The Company will advise and assist the Clients in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients; and (3) dissemination to the Clients of information concerning current developments in depreciation practices.

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8 *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

9 *Employee Services.* The Company will advise and assist the Clients in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare and employee benefits. The Company will also advise and assist the Clients in connection with temporary labor matters, including assessment, selection, contract negotiation, administration, service provider relationships, compliance, review and reporting.

10 *Engineering and Research Services.* The Company will advise and assist the Clients in connection with the engineering phases of all construction and operating matters, including estimates of costs of construction, preparation of plans and designs, engineering and supervision of the fabrication of natural gas facilities, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients.

11 *Gas Dispatching Services.* The Company will advise and assist the Clients in the dispatching of the gas supplies available to the Clients, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

12 *Information Technology Services.* The Company will advise and assist Clients in matters involving information technology, including management, operations, control, monitoring, testing, evaluation, data access security, disaster recovery planning, technical research, and support services. The Company will also provide and assist the Client with application development, maintenance, modifications, upgrades and ongoing production support for a portfolio of systems and software that are used by the Clients. In addition, the Company will identify and resolve problems, ensure efficient use of software and hardware, and ensure that timely upgrades are made to meet the demands of the Clients. The Company will also maintain information concerning the disposition and location of Information Technology assets.

13 *Information Services.* The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

14 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

15 *Legal Services.* The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice (relating to the all aspects of SEC compliance, PUHCA, FERC, FPA, PURPA), bankruptcy and collection matters, employment and labor relations investigations, union contracting, EEOC issues, and all other matters for which Clients require such legal services.

16 *Office Space.* As may from time to time be available, the Company will provide suitable space in its offices for the use of the Clients and their officers and employees.

17 *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4, and the Client shall not be required to pay any compensation directly to any such person.

18 *Operations Support and Planning Services.* The Company will advise and assist the Clients in connection with operations support and planning, including logistics and scheduling; workforce planning; corrosion and leakage programs; estimates of gas requirements and gas availability; gas transmission, measurement, storage and distribution; construction requirements; construction management; operating standards and practices; regulatory compliance; training; management of transportation and sales programs; negotiation of gas purchase and sale contracts; energy marketing and trading; security services; measurement, regulation and conditioning equipment; meter testing, calibration and repair; hydraulic gas network modeling, facility mapping and GIS technologies; and other operating matters.

19 *Purchasing, Storage and Disposition Services.* The Company will render advice and assistance to the Clients in connection with supply chain activities, including the standardization, purchase, lease, license and acquisition of equipment, materials, supplies, services, software, intellectual property and other assets, as well as shipping, storage and disposition of same. The Company will also render advice and assistance to the Client in connection with the negotiation of the purchase, sale, acquisition or disposition of assets and services and the placing of purchase orders for the account of the Client.

20 *Rate Services.* The Company will advise and assist the Clients in all rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities.

21 *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

22 *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

23 *Treasury Services.* The Company provides services such as cash management, long and short term financing for NiSource and all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, special economic studies as requested, and support for various regulatory proceedings, as requested.

24 *Land/Surveying Services.* The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing, maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

25 *Customer Billing, Collection, and Contact Services.* The Company will render calculating, bill exception processing, back office processing, posting, printing, inserting, mailing and related services to Client associated with the preparation and issuance of customer bills, notices, inserts and similar mailings. The Company will provide cash processing, revenue recovery, account reconciliations and adjustments, and related services to Client associated with the collection of revenue and management of accounts receivable. The Company will provide customer contact and related services to Client, including customer contact center management, operation and administration; management of key customer relationships; communications associated with the commencement, transfer, maintenance and disconnection of service; sales of optional products and services; the receipt and processing of emergency calls; the handling of customer complaints; and responses to customer billing, credit, collection, order take and inquiry, outage, meter reading, retail choice and other inquiries.

26 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, as may properly be rendered by the Company to such Client

within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3

ALLOCATION METHODS

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company rendering services hereunder is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients.* To the extent that the time spent by such officers and employees is related to services rendered to the Clients generally, or to any specified group of the Clients, a direct salary charge, computed as provided in Article 4, shall be made to the Clients generally, or to such specified group of the Clients, and allocated to each such Client using an allocation method approved by the Securities and Exchange Commission as set forth on Exhibit A hereto.

3 *Direct Salary Charges for Services to the Company.* To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 shall be allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 *Apportionment of Employee Benefits.* The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 shall be apportioned among the Clients, as applicable, in the proportions which the respective direct salary charges made pursuant to the rendering of such services to each such Client bear to the aggregate of such direct salary charges.

5 *Other Expenses.* All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients generally or to any specified group of Clients shall be apportioned in the manner set forth in Section 2 of this Article 3 for the apportionment of salary charges. All such expenses incurred by the Company in connection with services rendered to the Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

ARTICLE 4

COMPUTATION OF SALARY CHARGES

Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

Exhibit A

BASES OF ALLOCATION

The SEC approved Bases of Allocation shown below will be used by the Corporate Services Accounting Department for apportioning Job Order charges to affiliates. Any change in an allocation method that causes either a \$50,000 or 5% change in the cost that would be charged to a company must be brought to the SEC for approval under the 60-Day Letter process.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates. All companies may be included in this allocation.

BASIS 2

GROSS FIXED ASSETS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates. All companies may be included in this allocation.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Job order charges will be allocated to each benefited affiliate on the basis of the relationship of its total depreciable property to the sum of the total depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 9

AUTOMOBILE UNITS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates. All companies may be included in this allocation.

BASIS 10

NUMBER OF RETAIL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of retail customers to the total number of all retail customers of the benefited affiliates. All companies may be included in this allocation.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All companies may be included in this allocation.

BASIS 13

FIXED ALLOCATION

- Job order charges will be allocated to each benefitted affiliate on the basis of fixed percentages on an individual project basis. All companies may be included in this allocation.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 20

DIRECT COSTS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its direct costs billed by Service Corporation to the total of all direct costs billed by Service Corporation. All companies may be included in this allocation.

COLUMBIA GAS
of Pennsylvania



February 16, 1994

Mr. John G. Alford, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Attention: H. Deichmiller
Office of Special Assistants
Option and Technical Review Division

Re: Case No. G-00940371. Affiliate Interest Agreements

Dear Mr. Deichmiller:

Per your request of February 3, 1994, Columbia Gas of Pennsylvania, Inc. submits the following responses:

OSA RE-1 Is the affiliated interest agreement between Columbia Gas of Pennsylvania and Columbia Gas Transmission Corporation for the operation and maintenance of the Blackhawk gas storage field compressor station based on competitive bidding? If not, why? If so, what alternatives to the affiliate were considered, what criteria were used in conducting the comparison, and why was the affiliate selected?

The agreement between Columbia Gas of Pennsylvania (CPA) and Columbia Gas Transmission Corporation (CGT) was not competitively bid. CGT developed the Blackhawk storage field and built the compressor station. It is very similar in design and configuration to other storage fields and compressor stations built by CGT, giving CGT considerable expertise and experience in the operation of such facilities. The CGT personnel who operate and maintain the Blackhawk Storage Field are very familiar with its operation and the idiosyncrasies of the various components of the field, e.g., the wellheads, drips, brine disposal well, compressors, dehydration, regulation and measurement facilities. CGT personnel are readily available to operate the field on short notice, i.e., inject or withdraw gas as directed by CPA, and to respond to emergency situations. A third party operator would have to become familiar with the individual operating characteristics of the field, a process which can be lengthy

Mr. John G. Alford

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and expensive and, until complete, result in less reliable operation of the facility.

CGT also has a strong support staff of engineers, technicians and experts in storage field design and operation, who are available to assist the operating personnel should problems arise at Blackhawk. The support personnel are familiar with, and stay abreast of changes to, the relevant DOT pipeline and compressor station safety regulations. In the event of changes to the DOT requirements, CPA is promptly notified and can make an informed decision regarding any necessary operating changes.

Because of the affiliate relationship, the services provided by CGT are provided at cost, i.e., there is no profit earned by CGT on this service; it merely recovers its costs. In addition, CPA is responsible for, reviews and approves any major maintenance or capital expenditure which is made.

OSA RE-2 With regards to the gas transportation agreements what alternatives to the affiliate were considered, what criteria were used in conducting the comparison, and why was the affiliate selected?

The transportation agreements which were submitted were a direct result of the conversion of existing long-term agreements with CGT and Columbia Gulf Transmission (Gulf) pursuant to the implementation of the FERC Order 636 restructuring of service options on CGT and Gulf. Implementation of Order 636 took effect on CGT and Gulf on November 1, 1993. The terms and conditions of these agreements, like the agreements they replaced, are subject to FERC jurisdiction. The realignment of service options pursuant to Order 636 did not provide CPA with an opportunity to voluntarily negotiate individually tailored agreements and therefore, CPA did not request competing service proposals from other interstate pipelines. To continue to serve its markets, CPA, to the extent possible, needed to preserve under Order 636 the daily and seasonal capacity which it previously had under contract with CGT. In addition, CGT's physical proximity to CPA's markets meant that CGT would remain a major transporter for CPA well into the foreseeable future. Since CPA had the required level of capacity under contract with CGT until the year 2004, the interests of CPA's customers were best served by CPA attempting to preserve the pre-Order 636 level of capacity and actively participating in the Order 636 restructuring process.

As a result of its active participation in the restructuring process, CPA has reduced its total contractual commitment with its affiliates but essentially preserved its

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February 16, 1994

total capacity holdings. The CGT total firm contract level was reduced as a result of the direct city gate assignment by CGT to CPA of 22,500 dth/day of capacity on Tennessee Gas Pipeline and of 19,753 dth/day of transportation capacity on Texas Eastern. As a result of these assignments, CPA now is directly connected to these unaffiliated pipelines. CPA's total firm transportation capacity on Gulf, however, was reduced by 48,308 dth/day through the reassignment of that capacity among a number of LDCs through the restructuring process. The results of CGT's restructuring, and the associated effect on CPA, were reviewed in CPA's 1993 §1307(f) proceeding.

OSA RE-3 Explain all revenue and ratemaking implications that the affiliated interest agreement may have.

There are no revenue implications associated with the transportation or operating and maintenance agreements. These agreements have gas cost expense implications, which were reviewed in the context of CPA's 1993 §1307(f) proceeding and will be subject to review again in its 1994 §1307(f) filing.

OSA RE-4 Provide an explanation as to why the gas transportation agreements were filed with this Commission over two months after their effective date of November 1, 1993.

As indicated in response to Question OSA RE-2, the effective date of the agreements was dictated by the implementation of Order 636 mandated changes on CGT and Gulf, which changes remain subject to review on appeal. The delayed filing was a result of administrative oversight arising from the fact that the submitted contracts merely continued existing long-term contractual relationships.

OSA RE-5 Are the costs of gas per the transportation agreements reviewable under 1307(f)? If not, why?

Yes.

Mr. John G. Alford

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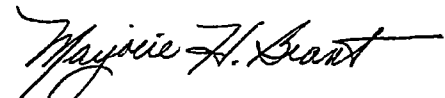
February 16, 1994

OSA RE-6 Refer to the agreement regarding the Blackhawk gas storage field compressor station. Explain what is meant by the phrase "cross-billed" as used in the agreement.

As explained in response to Question OSA RE-1, the charges for services rendered by CGT in the operation and maintenance of the Blackhawk Storage Field are rendered "at cost". The term "cross billing" refers to the accounting practice of one affiliate charging another affiliate for services requested and rendered.

If additional information is required, please do not hesitate to contact me. I can be reached at (614) 460-4658.

Very truly yours,



Marjorie H. Brant
Assistance General Counsel

Mr. John G. Alford

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February 16, 1994

bcc:

A. J. Sonderman
M. J. Martin
S. D. Phelps
R. J. Kuhner
G. J. Robinson
T. J. Murphy



April 29, 1996

Mr. John Alford, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Affiliated Interest Agreement Between Columbia Gas of
Pennsylvania, Inc., and Affiliated Companies

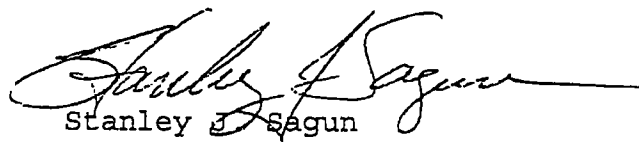
Dear Secretary Alford:

Columbia Gas of Pennsylvania, Inc. ("Columbia"), makes this
filing pursuant to 66 Pa. C.S. §§ 2101-2107, concerning relations
with affiliated interests.

Specifically, Columbia is seeking approval of the attached
agreement, entered into with affiliated companies under which
accounting, operating, administrative, billing and other related
services will be provided in efforts to offer new energy-related
services to customers. Such services are more fully described in
the attached agreement and the attached Securities and Exchange
Commission Order dated March 25, 1996.

Please date stamp and return to me the enclosed copy of this
filing in the stamped envelope provided. If you have any
questions, please contact me at (614) 460-4652.

Very truly yours,


Stanley J. Sagun
Attorney

Enclosures

**AGREEMENT AMONG
AFFILIATED INTERESTS**

This AGREEMENT, dated as of the 26th day of April, 1996, is by

and among the following:

Columbia Gas of Pennsylvania, Inc.
Columbia Gas of Maryland, Inc.
Columbia Gas of Ohio, Inc.
Columbia Service Partners, Inc.

WHEREAS, the foregoing companies are wholly-owned subsidiaries of The Columbia Gas System, Inc. ("Columbia"), and therefore affiliates; and

WHEREAS, Columbia has received an order from the Securities and Exchange Commission ("Order") authorizing formation of a nonutility subsidiary to provide energy-related consumer services of a nature described herein and in the attached Order; and

WHEREAS, Columbia has incorporated Columbia Service Partners, Inc. ("Partners") to engage in the business of providing such energy-related consumer services; and

WHEREAS, Partners will require from the foregoing companies services described herein and in the attached Order;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I
SERVICES AND SUPPLIES TO
BE FURNISHED BY OR ON
BEHALF OF AFFILIATES

Any of the affiliated companies may from time to time provide Partners with customer billing, accounting, and other energy-related services for consumer services offered to end-user customers. Such consumer services may include safety inspections, appliance financing, billing insurance, appliance repair warranty, gas line repair warranty, merchandising of energy related goods, commercial equipment service, bill risk management products, consulting and fuel management services, electronic measurement services and incidental services as described in the attached Order.

ARTICLE II
PAYMENT OF CHARGES

All services between the foregoing companies and Partners, or between Partners and any other Columbia company, required to conduct the new consumer services will be billed at cost, in accordance with Section 13(b) of the Public Utility Holding Company Act of 1935 and rules thereunder.

ARTICLE III
BILLING PRACTICES

As soon as practical after the last day of each month, or such other period as may be agreed upon by the respective companies, a billing shall be rendered for all amounts due for services and expenses for such period, computed pursuant to this Agreement. These bills shall be in sufficient detail to show separately the charge for each class of service rendered. All amounts so billed shall be paid within a reasonable time after receipt. The companies shall keep their

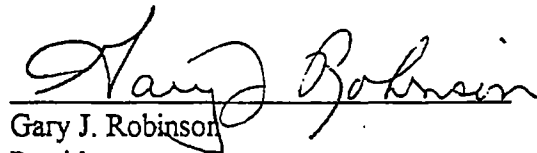
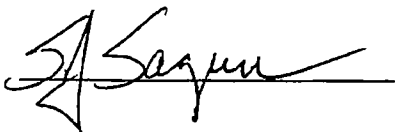
books and records available at all times for inspection by representatives of the other companies or by regulatory bodies having jurisdiction over them, and upon request, shall furnish any and all information required with respect to the services rendered, the costs thereof and the allocation of such costs among all companies party to this Agreement.

This Agreement shall be in full force and effect as of the date first mentioned above, and shall continue until terminated by any of the parties hereto giving the others sixty days written notice of termination; provided, however, this Agreement shall be subject to termination or modification at any time to the extent necessary to comply with the provisions of the Public Utility Holding Company Act of 1935, as amended, or any rule, regulation or order of the Securities and Exchange Commission; and provided further that this Agreement shall be subject to the approval of any state or federal regulatory body or agency, the approval of which is a legal prerequisite to the execution, acceptance or performance of this Agreement. This agreement shall terminate immediately with regard to any party as of the date such company ceases to be an affiliate of all of the other parties to this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

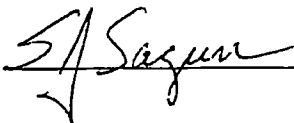
WITNESS:

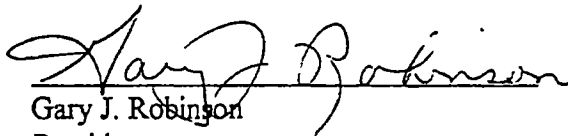
COLUMBIA GAS OF PENNSYLVANIA, INC.


Gary J. Robinson
President

WITNESS:

COLUMBIA GAS OF MARYLAND, INC.



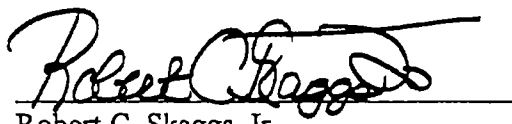


Gary J. Robinson
President

WITNESS:

COLUMBIA GAS OF OHIO, INC.

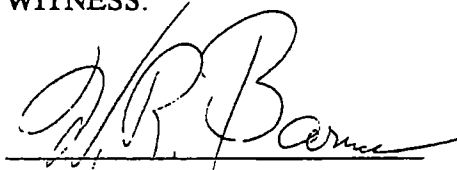


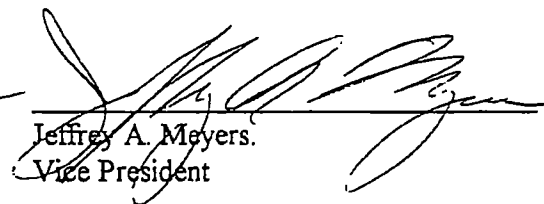


Robert C. Skaggs, Jr.
President

WITNESS:

COLUMBIA SERVICE PARTNERS, INC.





Jeffrey A. Meyers.
Vice President

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-26498 ; 70-8775)

The Columbia Gas System, Inc.
Order Authorizing Formation of Nonutility Subsidiary of
Registered Holding Company to Provide Energy-Related Consumer
Services

March 25, 1996

The Columbia Gas System, Inc. ("Columbia"), Wilmington, Delaware, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b) and 13(b) of the Public Utility Holding Company Act of 1935, as amended ("Act") and rules 43, 45, 87, 90 and 91 thereunder. A notice of the application-declaration was issued by the Commission on February 9, 1996 (HCAR No. 26470).

Columbia requests authorization to establish one or more direct or indirect subsidiaries ("Consumer Services Company") to engage in the business of providing energy-related services ("Consumer Services"), as described below, to customers of local distribution companies ("LDCs"), 1/ affiliated with Columbia and nonaffiliated LDCs served by Columbia's interstate natural gas transmission companies.

The Consumer Services will be provided by one or more direct or indirect subsidiaries of Columbia. Columbia is seeking authorization herein to create such subsidiaries. If a new direct subsidiary is created, financing will be provided by the

1/ The affiliated LDCs are Columbia Gas of Kentucky, Inc., Columbia Gas of Maryland, Inc., Columbia Gas of Ohio, Inc., Columbia Gas of Pennsylvania, Inc., and Commonwealth Gas Services, Inc. ("Columbia LDCs").

sale of up to \$5 million of Consumer Services Company common stock to Columbia. In the case of an indirect subsidiary, financing will be provided out of funds on hand or pursuant to existing funding authority by a Columbia subsidiary. In either case the amount of funding will not exceed \$5 million through December 1997. Columbia states that the Consumer Services will not require a large amount of capital nor will such Consumer Services divert the attention of management from the core utility operations. It is anticipated that many, if not all, services will be provided through the Consumer Services Company's own staff, third-party vendors, contractors and/or trade allies.

Consumer Services Company will conduct its Consumer Services business both within and outside of the five states of Virginia, Pennsylvania, Ohio, Maryland, and Kentucky where the Columbia System LDCs are located (collectively, "LDC States"). However, during the twelve-month period beginning on the first day of January in the year following the date Consumer Services Company commences its Consumer Services business pursuant to a Commission order issued in this matter, and for each subsequent calendar year, total revenues of Consumer Services Company derived from customers in the LDC States will exceed total revenues of Consumer Services Company derived from customers in all other states. Those services will not compete with services offered by other Columbia subsidiaries.

The following is a more detailed description of the Consumer Services: (1) Safety Inspections--Residential and small

commercial business customers may be offered an array of energy assessment and energy-related safety inspections such as carbon monoxide and radon testing; and wiring safety checks; (2)

Appliance Financing 2/--Consumer Services Company will provide financing to customers by (a) making short-term loans to cover the period of installation of the energy-related appliances until permanent financing can be obtained by the customer or (b) making long-term loans for a period of time not to exceed the lesser of 10 years or the expected useful life of the equipment; 3/ (3)

Billing Insurance--Consumer Services Company, through a contractual arrangement with American Banker's Insurance Group or another vendor, would provide bill payment protection for customers up to \$400 a month for six months should the customer become unemployed, disabled or die; (4) Appliance Repair Warranty--Customers may be offered an appliance repair service for their heating and air conditioning systems and other major appliances; (5) Gas Line Repair Warranty--Customers may be offered an opportunity to warrant against the cost of repair of

2/ Columbia agrees that it will not finance equipment that utilizes energy sources other than natural gas or propane until such time as rule 58 is promulgated or other precedent is issued by the Commission establishing that natural gas holding companies can deal in other commodities. At that time, Columbia will make an appropriate filing seeking a supplemental order.

3/ Columbia represents that the aggregate amount of energy-related appliance equipment financing loans by Consumer Services Company outstanding at any one time will not exceed \$25 million, with an individual customer financing limit of \$5 million at any one time.

faulty gas service lines located both within and external to the customer's location; (6) Merchandising of Energy Related Goods--Customers may be offered the opportunity to purchase energy-related devices such as water heaters, gas grills, gas logs and furnaces; (7) Commercial Equipment Service--Operators of commercial equipment may be offered a repair warranty program that would respond to faulty equipment; (8) Bill Risk Management Products--A variety of programs may be made available to gas customers interested in hedging energy price or consumption fluctuations; (9) Consulting and Fuel Management Services--Commercial and industrial customers may be offered advisory and/or management services regarding energy consumption and its measurement; and (10) Electronic Measurement Services--Industrial and commercial customers may be offered a variety of enhanced measurement and billing services that will enable them to better monitor their energy consumption and expenditures. 4/

In addition, Columbia requests authorization for Consumer Service Company to offer to end-use customers served by Columbia LDCs and LDCs served by affiliated interstate transmission companies incidental services related to the consumption of energy and the maintenance of property by those end-users, the need for which arises as a result of, or evolves out of, the services enumerated above and which do not materially differ from

4/ This type of activity is analogous to the fuel management service described above except that it may be offered separately from more comprehensive fuel management services.

the types of services listed. These are services related to: maintenance, financing or sale (but not manufacture) of the energy-consuming equipment; the measurement, analysis, risk management or other services relating to the energy commodity itself; and the process by which the end-user arranges for delivery, acquires, consumes and pays for the energy commodity.

Columbia argues that the proposed Consumer Services are reasonably incidental and/or economically necessary or appropriate to Columbia's core utility business of distributing gas at retail and will primarily benefit the Columbia LDCs and their customers. The proposed gas line warranty program will facilitate and enhance the ability of the Columbia LDCs to maintain their distribution lines in good working order and effect repairs quickly when needed, thereby minimizing service interruptions and lost sales due to leaks and line breaks and enhancing the utility service provided to customers and the ability of the Columbia LDCs to distribute gas reliably and efficiently. Similarly, proposed Consumer Services such as appliance repairs, including routine furnace services, and appliance financing will promote the safe and efficient distribution of gas by facilitating the maintenance, repair and replacement of gas utilizing equipment that is broken or not working properly. In addition, the inspection, warranty and repair services will foster more effective and efficient energy consumption and enhance customer safety. These services will

give utility customers the ability to minimize their financial exposure to potential repair costs.

The Columbia LDCs will assist Consumer Services Company with customer billing, accounting and other energy-related services for Consumer Services offered to the Columbia LDCs' end-user customers. It is anticipated that these services for Consumer Services Company can be done by the current staff of the Columbia LDCs. Columbia states that the number of Columbia LDC personnel involved will not be of such magnitude that utility services would in any way be impaired. If the Columbia LDC staff levels are not adequate at any point in the future to handle these extra responsibilities, staff would be added by the Consumer Services Company instead of the Columbia LDCs. All services between the Columbia LDCs and the Consumer Services Company, or between the Consumer Services Company and any other Columbia System company, required to conduct the new Consumer Services will be billed at cost in accordance with section 13(b) of the Act and rules 87, 90 and 91 thereunder.

As stated above, Columbia requests authorization to provide Consumer Services Company with up to \$5 million in funding through December 31, 1997, through the purchase of shares of common stock of Consumer Services Company, \$25 par value per share, at a purchase price at or above par value. Thereafter, Consumer Services Company will issue securities, and Columbia, or a direct subsidiary of Columbia, will acquire such securities in transactions which will be exempt pursuant to rule 52.

Fees and expenses in the estimated amount of \$17,000 are expected to be incurred in connection with the proposed transaction. It is stated that no state or federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Due notice of the filing of said application-declaration has been given in the manner prescribed in rule 23 promulgated under the Act, and no hearing has been requested of or ordered by the Commission. Upon the basis of the facts in the record, it is hereby found that the applicable standards of the Act and rules thereunder are satisfied, and that no adverse findings are necessary:

IT IS ORDERED, pursuant to the applicable provisions of the Act and rules thereunder, that the application-declaration, as amended, be, and it hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in rule 24 under the Act.

IT IS FURTHER ORDERED, that Columbia or Consumer Services Company will file reports with the Commission pursuant to rule 24 on a quarterly basis within 45 days after the end of each quarter, beginning with the first calendar quarter after the date of this order, which reports shall include the following information:

(1) A statement of the amount of capital provided to Consumer Services Company pursuant to the authorizations granted by this order during the period covered and cumulatively;

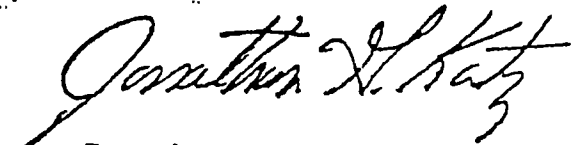
(2) A statement of all revenues derived from the Consumer Services Company activities authorized by this order both during the period covered and cumulatively, including information on the amount and percentage of revenues attributable to each category or type of service provided and a breakdown showing revenues derived from customers in the LDC States in relation to total revenues;

(3) Copies of all state commission orders approving, or post-transaction audit documents pertaining to, affiliate service arrangements or affiliate transactions between Columbia LDCs and Consumer Services Company obtained during the period covered; and

(4) A statement containing a company-by-company breakdown of all services provided to Consumer Services Company by Columbia LDCs and all payments for such services made by Consumer Services Company during the period covered and cumulatively. In addition, no later than August 15th of each year, Columbia and/or Consumer Services Company shall file balance sheets for Consumer Services Company as of June 30th of that year and income statements for Consumer Services Company for the six-month period ending on June 30th of that year; and no later than 120 days after the end of

each calendar year, Columbia and/or Consumer Services Company shall file a modified U-13-60 annual report.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

A handwritten signature in cursive script, reading "Jonathan G. Katz". The signature is written in dark ink and is positioned above the printed name and title.

Jonathan G. Katz
Secretary



Mark R. Kempic
Senior Attorney
Legal Department

650 Washington Road
Pittsburgh, PA 15228
(412) 572.7142
Fax: (412) 572.7162
mkempic@nisource.com

January 8, 2004

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building,
400 North Street,
Harrisburg, PA 17120

Re: Columbia Gas of Pennsylvania, Inc. – Affiliate Transaction

Dear Mr. McNulty:

Enclosed for filing pursuant to 66 Pa. C.S.A §2102, is the original and four copies of an amendment to an existing affiliate agreement between Columbia Gas of Pennsylvania, Inc. ("CPA") and several of its affiliates. The Commission has previously approved an affiliate agreement authorizing CPA to provide certain services to the affiliates (*See* Docket G-00960483, Order Entered July 18, 1996 and November 14, 1996). CPA is hereby requesting to provide similar services to a newly formed affiliate.

I have included an extra copy of the document. Please date stamp it and return it to me in the enclosed envelope. If you have any questions about the enclosed document or if I may be of any assistance, please do not hesitate to contact me at 412.572.7142.

Sincerely,

Mark R. Kempic
Senior Attorney

enclosures

**AMENDMENT TO
AGREEMENT AMONG
AFFILIATED INTERESTS**

This AMENDMENT, dated as of the 7th day of January, 2004, is by and among the following:

Columbia Gas of Pennsylvania, Inc.
Columbia Gas of Maryland, Inc.
Columbia Energy Services Corporation
Columbia Gas of Ohio, Inc.
NiSource Retail Services Inc.

WHEREAS, the foregoing companies are all wholly-owned subsidiaries of NiSource Inc. ("NiSource") and therefore affiliates ("Affiliates"); and

WHEREAS, the foregoing companies exclusive of Columbia Energy Services Corporation and NiSource Retail Services, Inc. ("NiSource Retail"), have heretofore entered into an Agreement Among Affiliated Interests dated April 26, 1996 (the "April 1996 Agreement") with their affiliate Columbia Service Partners, Inc. ("Partners") contemplating the provision of certain services to "Partners" by the other Affiliates; and

WHEREAS, the April 1996 Agreement was approved by the Pennsylvania Public Utility Commission ("Commission") on July 18, 1996 at Docket No. G-00960483; and

WHEREAS, on August 7, 1996, the April 1996 Agreement was amended by the parties to enable the parties to provide the same services to another entity named "Columbia Energy Services Corporation" ("Amended Agreement"); and

WHEREAS the Commission approved the Amended Agreement on November 14, 1996 in Docket G-00960483; and

WHEREAS, NiSource Retail Services, Inc., d/b/a Columbia Retail Servicessm ("NiSource Retail") is a newly formed Affiliate and Partners is no longer a subsidiary of NiSource; and

WHEREAS the Affiliates now desire to amend said Agreement as stated below to provide to NiSource Retail the same services that they are permitted to provide to Columbia Energy Services Corporation.

NOW THEREFORE, in consideration of the mutual covenants contained herein, as well as other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Article I shall be supplemented and amended as follows:

Any of the Affiliates may from time to time provide NiSource Retail with customer billing, accounting, and other energy-related services for services offered to end-use customers.

2. Article II shall be supplemented and amended as follows:

All services between and among the Affiliates and NiSource Retail, or between NiSource Retail and any other regulated Affiliate, will be billed at cost, in accordance with Section 13(b) of the Public Utility Holding Company Act of 1935 and rules thereunder.

Except as expressly supplemented and amended herein, the Agreement shall remain in full force and effect; no other modifications or amendments are intended hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

WITNESS:

COLUMBIA GAS OF PENNSYLVANIA, INC.

Mark Kemp

Terrence J. Murphy
President

WITNESS:

COLUMBIA GAS OF MARYLAND, INC.

Mark Kennedy Terrence J. Murphy
Terrence J. Murphy,
President

WITNESS:

COLUMBIA GAS OF OHIO, INC.

Sharon L. Booth John W. Partridge, Jr.
John W. Partridge, Jr.,
President

WITNESS:

COLUMBIA ENERGY SERVICES CORPORATION.

Pat Lewis Michael W. O'Donnell
Michael W. O'Donnell
President

WITNESS:

NISOURCE RETAIL SERVICES INC.

Pat Lewis Scott C. MacDonald
Scott C. MacDonald
President

One Commerce Square
417 Walnut Street
Harrisburg, PA 17101-1904
717-237-4000
Fax: 717-237-4004

COPY

**Morgan, Lewis
& Bockius LLP**
C O U N S E L O R S A T L A W

Michael W. Hassell
717-237-4024

RECEIVED

February 10, 1998

FEB 13 1998

Kenneth W. Christman

VIA HAND DELIVERY

James J. McNulty, Acting Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

Re: Columbia Gas of Pennsylvania, Inc.
Affiliated Interest Filing
Docket No. G-

RECEIVED
98 FEB 10 PM 4:01
P.A.P.U.C.
PROTODOTARY'S OFFICE

Dear Acting Secretary McNulty:

Enclosed, for filing pursuant to Section 2102 of the Public Utility Code, 66 Pa.C.S. §2102, is an Agreement among Columbia Gas of Pennsylvania, Inc. ("Columbia of Pennsylvania") and certain affiliated local distribution companies.

The purpose of the Agreement is to trade volumes of gas held by the companies in storage fields in various states. The trades will enable Columbia of Pennsylvania to reduce state taxes that are imposed upon Columbia of Pennsylvania by jurisdictions other than Pennsylvania. As explained in the Agreement, this contract will not affect the volume of storage gas held by Columbia of Pennsylvania. The Agreement will have no adverse effect upon Columbia of Pennsylvania's customers, or the Pennsylvania State Treasury.

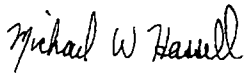
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Morgan, Lewis
& Bockius LLP

James J. McNulty, Acting Secretary
February 10, 1998
Page 2

If there is any question with regard to this filing, please contact the undersigned.

Yours truly,



Michael W. Hassell

/aw

Enclosure

AGREEMENT

THIS AGREEMENT, made effective as of December 31, 1997 is by and between Columbia Gas of Ohio, Inc. ("COH"), Columbia Gas of Pennsylvania, Inc. ("CPA"), Columbia Gas of Kentucky, Inc. ("CKY"), and Columbia Gas of Maryland ("CMD"), collectively referred to as "the Parties."

WHEREAS, the Parties and Columbia Gas Transmission Corporation (Columbia) have entered into Firm Storage Service (FSS) Agreements in connection with Article VI of the June 29, 1989 Stipulation and Agreement in FERC Docket Nos. #RP86-168, et al, also known as the Columbia Global Agreement (CGA), as revised;

WHEREAS, the Parties purchased certain storage gas inventory from Columbia located in Columbia's storage fields and will purchase additional natural gas for storage in Columbia's storage fields;

WHEREAS, Columbia's gas storage fields are located in West Virginia, Pennsylvania, New York and Ohio;

WHEREAS, Columbia's aggregate operations of its storage system makes it impossible to determine where any individual customer's gas is stored;

WHEREAS, Columbia originally allocated its customers' gas in storage on a pro rata basis among all of its storage customers; and

WHEREAS, the Parties desire to exchange volumes among themselves in order to identify the states in which their gas shall be deemed to be located on an individual company basis;

THEREFORE, in consideration of the premises,

1. The Parties will effect trades among themselves, from time to time and on an MCF per MCF basis, to consistently assure that the respective inventories are maintained as follows:

a) All of the FSS volumes of CPA, CKY, and CMD will be deemed to be located in the state of Ohio subject to c) and d) below.

b) The FSS volumes of COH will be deemed to be located in the states of New York, Pennsylvania and West Virginia, subject to c) and d) below, to the extent that the other Parties previously were deemed to have FSS volumes located in those states. Any COH FSS volumes remaining after such

allocation to New York, Pennsylvania and West Virginia, shall be deemed to be located in the state of Ohio.

c) Each of the Parties' total FSS volumes must exactly match each of the Parties' total FSS volumes as reported by Columbia; and

d) The total FSS volumes allocated to each state must exactly equal the total FSS volumes as reported by Columbia for each state.

e) If for any reason the allocation of the Parties' FSS storage volumes cannot be accomplished as stated above, the parties agree to meet within thirty (30) days to discuss a new prospective allocation agreement.

2. This Agreement is made by and between the undersigned customers of Columbia Gas Transmission Corporation (Columbia). This agreement shall not be interpreted in any way to have any effect on the manner in which customers under Columbia's Rate Schedule FSS receives storage service from Columbia. This agreement does not give any customer the right to select the state in which storage gas is either injected into or withdrawn from storage. Columbia shall continue to operate its gas storage fields in such a manner as it, in its sole discretion, deems necessary and appropriate to meet its service obligations. This agreement does not create, reduce, modify, or amend Columbia's service obligations. This agreement does not create, reduce, modify, or amend Columbia's service obligations or service agreements in any manner.

3. If the tax laws (but not including the tax rate) in any of the affected states significantly changes and any such change has an adverse financial impact on any of the Parties, then the Parties to this Agreement agree to meet within thirty (30) days after written notice from any one party to discuss a new, prospective allocation agreement. Any new allocation agreed upon shall be made effective on December 31 of the same calendar year. If the parties to this Agreement fail to agree upon a new allocation agreement within ninety (90) days after the beginning of such a meeting, this Agreement may be cancelled, effective at the end of the year in which such meetings occur. After cancellation of this Agreement, all FSS volumes shall be deemed to be in all of Columbia's storage fields in proportion to the total physical volumes of working gas in storage in all of Columbia's storage fields.

4. This Agreement may be executed by one or more of the parties hereto in any number of separate, identical counterparts, no one of which need be signed by all of the parties so long as each of the parties has signed at least one counterpart. Each such counterpart, when signed and delivered by one or more of the parties hereto, shall constitute one and the same instrument. This Agreement shall become effective upon execution by the Parties, pending receipt of all necessary regulatory approvals.

5. In the event this Agreement, or one or more of the provisions hereof, shall be held, for any reason, to be invalid, void, illegal or unenforceable in any respect, or as to any signatory party, such invalidity, voidness, illegality or unenforceability shall not affect the remaining provisions hereof.

(SEAL)

Attest:

Amy L. Koncelik
Title: ATTORNEY

COLUMBIA GAS OF OHIO, INC.

By: [Signature]
Name: ANDREW J. SONDRONKA
Title: GENERAL COUNSEL
Date: 12/31/97

(SEAL)

Attest:

Title: _____

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: _____
Name: _____
Title: _____
Date: _____

(SEAL)

Attest:

Amy L. Koncelik
Title: ATTORNEY

COLUMBIA GAS OF KENTUCKY, INC.

By: [Signature]
Name: ANDREW J. SONDRONKA
Title: GENERAL COUNSEL
Date: 12/31/97

(SEAL)

Attest:

Title: _____

COLUMBIA GAS OF MARYLAND, INC.

By: _____
Name: _____
Title: _____
Date: _____

One Commerce Square
417 Walnut Street
Harrisburg, PA 17101-1904
717-237-4000
Fax: 717-237-4004

Morgan, Lewis
& Bockius LLP
C O U N S E L O R S A T L A W

COPY

Michael W. Hassell
717-237-4024

February 10, 1998

VIA HAND DELIVERY

James J. McNulty, Acting Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

Re: Columbia Gas of Pennsylvania, Inc.
Affiliated Interest Filing
Docket No. G-

Dear Acting Secretary McNulty:

Enclosed, for filing pursuant to Section 2102 of the Public Utility Code, 66 Pa.C.S. §2102, is a Master License Agreement between Columbia Gas of Pennsylvania, Inc. ("Columbia") and CNS Microwave, Inc. ("CNS"), an Exempt Telecommunications Company.

The Telecommunications Act of 1996 amended the Public Utility Holding Company Act of 1935 ("PUHCA") by adding a new Section 34 that allows registered holding companies to establish "Exempt Telecommunications Companies." These Exempt Telecommunications Companies, or ETCs, are special purpose subsidiaries that provide commercial telecommunications, information and related products and services to the public. ETC status is determined by the Federal Communications Commission. Section 34(i) provides that a public utility may contract for services or goods with an affiliated ETC only if the contract is approved by the state commission having jurisdiction over the rates of the public utility. In addition, Section 34(i) provides that the state commission can elect to waive its authority under Section 34(i). Thus, Columbia requests that the Commission approve the attached Master License Agreement or, in the alternative, issue a notice waiving its authority under Section 34(i) of PUHCA.

HA01/59734.1

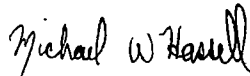
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PA. PUBLIC UTILITY
PROTHONOTARY'S OFFICE

Morgan, Lewis
& Bockius LLP

James J. McNulty, Acting Secretary
February 10, 1998
Page 2

If there is any question with regard to this filing, please contact the undersigned.

Yours truly,



Michael W. Hassell

/aw

Enclosure

MASTER LICENSE AGREEMENT

THIS MASTER LICENSE AGREEMENT (this "Agreement"), made this 31st day of December, 1997, by and between CNS MICROWAVE INC., a Delaware corporation, (the "Licensor") and Columbia Gas of Pennsylvania, Inc, a Pennsylvania corporation (the "Licensee") (collectively, hereinafter referred to as the "Parties").

WITNESSETH:

WHEREAS, Licensor is the owner or lessee of certain buildings, towers, facilities and/or real property (the "Property");

WHEREAS, Licensee desires to enter into this Agreement, in order to define the terms and conditions which govern the Parties' relationship with respect to particular sites on which the Licensor wishes to license to Licensee certain space for the operation of its facilities as hereinafter set forth and Licensee desires a license to operate certain radio equipment on such Property listed on Appendix A hereto;

WHEREAS, the Properties which Licensor and Licensee desire to license are set forth on Appendix A, attached hereto and incorporated herein by reference, as such Appendix may be supplemented or amended by the Parties hereto from time to time;

NOW THEREFORE, for the consideration stated hereinafter, the sufficiency of which is hereby acknowledged, and in further consideration of the promises, terms and covenants herein, the Parties agree as follows:

1. Scope of License. Licensor agrees to license to Licensee space on or within the Property for certain purposes described as follows:

- (a) Maintaining, operating, replacing and removing radio communications equipment as described in Appendix B attached hereto and incorporated herein by reference (hereinafter "Facilities") on the Property. Removal of said Facilities shall be made within sixty (60) days after termination of this Agreement or removal of such Property from Appendix A as hereinafter provided.
- (b) Licensee agrees to obtain and maintain at its own expense, any license, permits and any other approvals required by any federal, state, or local authority for the installation, construction, maintenance, operation, replacement and removal of the Facilities.

- (c) Licensee shall maintain, operate, replace and remove said Facilities in a manner which shall comply with all federal, state, and local laws and regulations governing the installation, construction, maintenance, operation, replacement and removal thereof.
- (d) Licensee will be responsible for the maintenance, operation, replacement or removal of any and all utilities required by it in furtherance of its personal communications service system. Notwithstanding their affixation to the Property, the Facilities shall remain Licensee's personal property.

2. **Limitations on Scope of License.** Licensee understands and agrees that the permission herein granted is nonexclusive and that Licensor may enter into similar agreements, covering all or part of the Property not licensed by Licensee, with other persons. Licensee agrees that the license granted by Licensor hereunder is contingent upon Licensee's representation that the operations of Licensee will not interfere with any operations of Licensor or its affiliates, or any of the Licensor's other licensees existing at the commencement of this Agreement ("Existing Licensees"). If, after initial satisfactory coexistence has been established, Licensor determines that Licensee's use of the Facilities is interfering with any operations of Licensor or its affiliates, or those of any of the Existing Licensees, Licensor shall give notice to Licensee of the condition, whereupon Licensee shall remedy such interference within twenty-four (24) hours. If such interference is not so remedied, Licensee shall discontinue operation of the Facility until the condition is remedied to Licensor's satisfaction, *provided, however,* Licensee may perform intermittent testing for a one hundred eighty (180) day period to determine a remedy for the interference. If no remedy can be found within said period, the applicable Property shall be removed from Appendix A, and all reasonable costs incurred by Licensor pursuant to this paragraph shall be billed to and shall be paid by Licensee. Licensee is prohibited from using any materials in connection with the use of this License which could cause the corrosion, rust or deterioration of the Property.

3. **Term; Renewal.** This Agreement shall commence upon the execution hereof ("Commencement Date") and, unless sooner terminated as herein provided, shall continue for a period of five (5) years from and after said Commencement Date; *provided, however,* that this Agreement shall be renewed for additional five (5) year periods (each such five (5) year period a "Term") unless sooner terminated. However, either Licensor or Licensee may terminate this Agreement at any time after the initial term by giving the other party one (1) year's notice in writing of its intention to do so, and this Agreement shall terminate and be of no further force and effect one (1) year following the mailing by United States Postal Service, postage prepaid, of such notice. The Parties may terminate this Agreement with respect to any particular Property by

mutually agreeing in writing to remove such Property from Appendix A. Paragraphs 7 and 9 shall survive the expiration or earlier termination of this Agreement.

4. License Fee. The annual license fee ("License Fee") shall be calculated based upon the Licensor's cost of licensing the Property as set forth in Appendix C attached hereto and incorporated herein by reference. Appendix C may be amended from time to time upon the mutual agreement of the Parties. The License Fee shall be payable in annual installments in arrears, upon the date of execution of this Agreement by Licensee and upon each anniversary of such date thereafter, for each Term and each extension Term. The first payment due upon execution of this Agreement shall be for services rendered for the period from January 1, 1997 through December 31, 1997, during which the Facilities have been located on the Property. Future License Fee payment shall be payment for services rendered for each calendar year thereafter. In the event this Agreement is terminated by Licensee or Licensor during any Term, Licensee shall be obligated to pay a prorated amount of the License Fee for the then current calendar year.

5. Licensor's Right of Inspection; Compliance with Regulations. Before commencing with any construction of or alterations to said Facilities, Licensee shall submit the plans therefor for approval by Licensor. All work done hereunder by Licensee shall be subject to inspection and approval by Licensor within thirty (30) days after submission of said plans. Such approval shall be for informational purposes only and shall not constitute legal inspection or legal approval thereof. If Licensor does not approve the plans or provide reasons for disapproval within thirty (30) days after submission thereof, the plans shall be deemed approved. Licensee shall construct, maintain, operate, replace and remove said Facilities in accordance with the effective Rules and Regulations of the Federal Communications Commission and the Federal Government Safety Standards, and in all respects shall comply with applicable engineering standards. Licensee will assure that Licensee, its independent contractors, and its subcontractors will act in compliance with current OSHA regulations and standards for communication towers when working on or around any tower. Any tower must be equipped with an OSHA safety climb device which must be properly utilized.

6. Maintenance. Subject to additional maintenance requirements for a particular Property, as set forth in Appendix D attached hereto and incorporated herein by reference, the following Property maintenance provisions apply generally to all Property:

- (a) Upon thirty (30) days written notice from Licensor, Licensee agrees to deenergize its transmitting equipment whenever Licensor employees or contractors are working in close proximity to the Licensee antenna

systems in order to protect all personnel from R.F. radiation. Licensor has the right to verify that such equipment has been deenergized.

- (b) In using or occupying the Property under this Agreement, Licensee agrees to create no undesirable debris or other similar conditions that would require extraordinary maintenance or cleanup by Licensor. Licensee shall also be required to comply with Licensor's security measures when utilizing the Facilities pursuant to this Agreement. All costs incurred by Licensor with respect to extraordinary maintenance or the failure to comply with the terms of this Agreement, including security procedures shall be paid by Licensee.
- (c) Only authorized engineers, employees or properly authorized contractors of Licensee or persons under its direct supervision will be permitted to enter the Facilities. Licensee shall notify Licensor at least thirty-six (36) hours before commencing any maintenance on the Facilities. Should Licensee require immediate access to the Facilities for emergency repairs, Licensee shall notify Licensor as soon as practicable. At Licensor's discretion, its personnel may be present during all activities requiring access to the Facilities. Subject to the terms of this Agreement, Licensee, its employees, agents, independent contractors and subcontractors shall have access over the Property twenty-four (24) hours a day, seven (7) days a week.

7. Limitation on Liability. Licensee assumes any and all risk of damages or injury to its Facilities placed in or upon the Property, and Licensor shall not be responsible to Licensee or anyone associated with Licensee, including its customers, for any loss that Licensee sustains as a result of theft, fire, storm or other disaster, or as a result of any cause whatever, unless caused by the negligence or willful misconduct of Licensor, its agents or employees. In no event shall Licensor, its affiliates, officers, directors, employees or agents be liable to Licensee for any loss of business, revenue or damage to its reputation which may be claimed or arise from any interruption in service or access to or use of the Property and Licensee releases and indemnifies and holds harmless Licensor from any and all such loss or damage. Further, Licensor shall not be liable to Licensee for any consequential, indirect or punitive damages and Licensee releases, indemnifies and holds harmless Licensor from any such damages.

8. Insurance. Licensee shall provide, at its own expense, the kinds of insurance in the minimum amounts of coverages as may be reasonably determined by Licensor from time to time, provided, that Licensee shall not be required to obtain insurance with coverage that is broader or limits in excess of those it maintains upon its execution of this Agreement.

9. Indemnification.

- (a) *General:* Licensee shall indemnify, defend and hold harmless Licensor its officers, directors, shareholders, affiliates and agents from and against any and all losses, damages, and liabilities from any and all claims for losses, damages or liabilities on account of or by reason of bodily injury, including death, which may be sustained or claimed to be sustained by any person, including the employees of Licensee and of any independent contractor or subcontractor of Licensee, and from and against any and all losses, damages or liabilities with respect to the Property, including loss of use, and including property of Licensor, caused by or arising out of or claimed to have been caused by or to have arisen out of an act or omission of Licensee or its agents, employees, independent contractors or subcontractors in connection with the performance of this Agreement. Licensee shall, at its own cost and expense, defend any claims, suits, actions, or proceedings covered by this Paragraph 9, whether groundless or not, which may be commenced against Licensor, its officers, directors, shareholders, and agents in connection with performance of this Agreement, and Licensee shall pay any and all judgments which may be recovered in any such actions, claims, proceedings or suits, and defray any and all expenses, including costs and attorneys' fees, which may be incurred in or by reason of such actions, claims, proceedings, or suits. Notwithstanding the foregoing, Licensor shall be entitled, if it so elects, to representation by attorneys of its own selection, including attorneys employed by Licensor. The obtaining by Licensee of a release or discharge, running to Licensee or Licensor (including its officers, directors, shareholders, affiliates and agents) or either or both of them for damages in connection with this Agreement, shall not diminish or affect in any way the rights of Licensor and the obligations of Licensee as set forth herein or therein unless signed by both Parties. To the extent permitted by law, Licensee expressly waives the benefit, for itself and all subcontractors, insofar as the indemnification of Licensor is concerned, of the provisions of any applicable workers' compensation law limiting the tort or other liability of an employer on account of injuries to the employer's employees, and such waiver of benefit of applicable workers' compensation law indemnifies Licensor only where employees of Licensee and employees of all subcontractors of Licensee are precluded from bringing suit in tort or otherwise against Licensee.
- (b) *Exclusion from Indemnification:* The foregoing indemnification does not extend to Licensor's contractual obligation to compensate landowners, as

provided in deeds, leases, licenses, or other contracts between Licensor and the owners of the land on which any portion of this Agreement is to be performed, except to the extent that the requirement of compensation is the result of:

- (i) Licensee's default under this Agreement;
- (ii) Licensee's trespass on or other improper damage to the property of others; and
- (iii) Licensee's other act or failure to act which is actionable (whether negligent, willful, reckless, wanton, intentional, or otherwise tortious), or for which strict, absolute, statutory, or other type of liability may be imposed.

10. Termination. This License may be terminated as follows:

- (a) by either Party,
 - (i) if there is a default of any covenant or term of this License by the other Party, which default is not cured within thirty (30) days of receipt of written notice, provided that the cure period for any monetary default is ten (10) days from receipt of notice, provided further that no default shall be deemed to exist for purposes of this Paragraph if the defaulting Party commences in good faith to rectify a non-monetary default within such thirty (30) day period and such efforts shall be prosecuted to completion with reasonable diligence. During the continuance of any default after such notice and cure period, the non-defaulting Party may terminate this License by giving notice of termination to the defaulting Party, and the non-defaulting Party may exercise any other remedies it may have under this License, at law or in equity;
 - (ii) if Licensee is unable to obtain or maintain any certificate, permit or other approval that may be required by an federal, state or local authority for the use of the Facilities for their intended purposes; or
 - (iii) if the Facilities or Licensee's equipment are destroyed or damaged and rendered unsuitable for normal use. In such event, all rights and obligations of the Parties shall cease as of the date of the damage or destruction.

- (b) by Licensee, without further liability hereunder, upon providing notice
 - (i) if, due to changed circumstances, Licensee determines that for technological reasons, the Facilities are no longer suitable for their intended purpose; or
 - (ii) if Licensee determines that any of its equipment cannot be used without interference from, or causing any undue interference to, other property or equipment in the area of the Property.
- (c) by Licensor, if any of the obligations or rights of the Licensor under this Agreement or any Supplement are in any way modified, superseded or made unenforceable by operation of law or government regulation.

11. Assignment. Licensee or Licensor shall not assign, or permit any other person to operate under the authority of this Agreement, or to otherwise enjoy the benefits hereunder without the prior written consent of Licensor, except the Parties may assign this Agreement to any corporation, partnership, or other entity which is (1) controlled by, controlling, or under common control with each Party; or (2) shall merge or consolidate with or into each Party; or (3) shall succeed to all or substantially all of the assets, property, and business of each Party, so long as any such entity is of equal or superior financial strength.

12. Entire Agreement. This Agreement, and any other Exhibits, Appendices and Schedules hereto, each of which is deemed a part hereof, constitute the entire agreement and understanding between the Parties and all previous undertakings, negotiations and agreements between the Parties regarding the subject matter hereof are hereby superseded. The rights and obligations of each party thereto are incorporated in this Agreement and the Appendices attached hereto.

13. Notices. Except where otherwise provided in this Agreement, all notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed validly tendered if personally delivered, sent via overnight courier providing proof of service, sent by certified mail, return receipt requested, as follows, or to any other address that the party to be notified may designate by like notice to the sender:

If to Licensor:

Bruce L. Cavender
General Manager
CNS Microwave, Inc.
1700 MacCorkle Avenue, S.E.
P.O. Box 1273
Charleston, West Virginia 25325-1273

If to Licensee:

Columbia Gas of Pennsylvania, Inc.
650 Washington Rd.
Pittsburgh, PA 15228-2703
Attn: Robert Burrows

14. Modification; Waiver. This Agreement may not be modified nor may any provision be waived without the prior written consent of the Party against whom such modification or waiver is or may be asserted. No delay or omission by either Party to exercise any right or power shall impair any such right or power or be construed to be a waiver thereof. A waiver of any provision of this Agreement on any particular occasion shall not constitute a waiver of such provision or any succeeding occasion. Unless stated otherwise, all remedies available under this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available at law, in equity or otherwise.

15. Governing Law. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed and attested by their respective corporate officers.

ATTEST:

CNS MICROWAVE INC.

By: Philip R. Aldridge
Philip R. Aldridge
President

Date: 12/31/97

ATTEST:

Columbia Gas of Pennsylvania, Inc.

By: _____
Its: _____
Date: _____

STATE OF _____,

COUNTY OF _____, TO-WIT:

I, a Notary Public of said county, do certify that _____ who signed the writing above bearing date the ____ day of _____, 1997, for CNS MICROWAVE INC., a Delaware corporation, has this day in my said county, before me, acknowledged the said writing to be the act and deed of said corporation.

[SEAL]

Notary Public

My Commission expires _____.

STATE OF _____,

COUNTY OF _____, TO-WIT:

I, a Notary Public of said county, do certify that _____ who signed the writing above bearing date the ____ day of _____, 1997, for _____, a _____ corporation, has this day in my said county, before me, acknowledged the said writing to be the act and deed of said corporation.

[SEAL]

Notary Public

My Commission expires_____.

APPENDIX A - PROPERTY DESCRIPTION

Bethel Park, PA Site

Tower space for a two-way radio antenna (KNGY905) for Columbia Gas of PA.

Washington, PA Site

Tower space for a two-way radio antenna (KGD926) for Columbia Gas of PA (control points at 251 West Maiden St., Washington, PA.

York, PA Site

Tower space for a two-way radio antenna on the existing 100' self supporting tower.
(Control point at York PA office)

APPENDIX B - FACILITIES DESCRIPTION

Bethel Park, PA Site

This antenna is located at the 200 foot level on the CNS tower at 150 Hillside Drive, Bethel Park, PA 15102.

Washington, PA Site

This antenna is located at the 160 foot level on the CNS tower at Columbia Gas Transmission's Washington microwave repeater site about 5 miles west of Washington, PA (latitude 40-11-47N, longitude 80-19-75W).

York, PA Site

This is a CPC Cat. # 320-509 Side Mount Antenna approximately 80' on tower 100W VHF Base Station.

APPENDIX C - LICENSE FEE

CNS Microwave, Inc. Total Annual Operating Expenses (1997 Estimate) ÷ Total CNS Microwave, Inc. Tower Attachments=Annual Cost Per Attachment \$2,736 (\$228 per attachment per month)

Annual Cost Per Attachment x 3 Total Attachments = Total Annual License Fee

Total Annual License Fee = \$8,208

APPENDIX D - MAINTENANCE DESCRIPTION

All ⁵existing maintenance procedures will be extended without change under this agreement.
no p

Exhibit B-4 (Rev.)

[Date]

NISOURCE INC. AND SUBSIDIARY COMPANIES

INTERCOMPANY INCOME TAX ALLOCATION AGREEMENT

WHEREAS, NiSource Inc., a corporation organized under the laws of the State of Delaware ("NiSource") and a registered holding company under the Public Utility Holding Company Act of 1935 ("Act"), together with its subsidiary companies, direct and indirect, listed as parties hereto, comprise the members of the NiSource consolidated group which will join annually in the filing of a consolidated Federal income tax return, and it is now the intention of NiSource and its subsidiaries, direct and indirect, (hereinafter collectively referred to as the "NiSource Group"), to enter into an agreement for the allocation of current federal income taxes; and

WHEREAS, certain members of the NiSource Group will join annually in the filing of certain consolidated state income tax returns (to the extent permitted or required under applicable state income tax laws), and it is now the intention of the NiSource Group to enter into an agreement for the allocation of current state income taxes; and

WHEREAS, by order dated [____], 2001, the Securities and Exchange Commission has authorized NiSource and its subsidiaries to enter into this agreement as of January 1, 2001 and to allocate consolidated income taxes in the manner herein provided; and

NOW, THEREFORE, each member ("Member") of the NiSource Group does hereby covenant and agree with one another that the current consolidated income tax liabilities of the NiSource Group shall be allocated as follows:

ARTICLE I.

Definitions and Interpretation

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided, the following terms shall have the following respective meanings:

"Acquisition Indebtedness" means indebtedness incurred by NiSource or NiSource Finance Corp. ("Finance") to finance the acquisition (including related costs) by NiSource of all of the issued and outstanding stock of Columbia Energy Group and any renewals or extensions thereof. Acquisition Indebtedness also includes indebtedness incurred by NiSource or Finance for the purpose of refinancing the indebtedness relating

to the acquisition (including related costs) of all of the issued and outstanding stock of Columbia Energy Group.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consolidated Group” means NiSource and all of its subsidiaries which, from time to time, may be included in any (i) federal income tax return filed by NiSource in accordance with sections 1501 and 1502 of the Code or (ii) Other Return.

“Consolidated Return” means any consolidated federal income tax return or Other Return filed by NiSource whether before or after the date hereof, which includes one or more Members of the NiSource Group in a consolidated, combined or unitary group of which NiSource is the common parent.

“Consolidated Return Year” means any period during which NiSource files a consolidated federal income tax return or Other Return that includes one or more Members of the NiSource Group in a consolidated, combined or unitary group of which NiSource is a common parent.

“Consolidated Taxable Income” is the taxable income of the Consolidated Group as computed for federal or state income tax purposes.

“Consolidated Tax Liability” means, with reference to any taxable period, the consolidated, combined or unitary tax liability (including any interest, additions to tax and penalties) of the Consolidated Group for such taxable period (including the consolidated federal income tax liability and other consolidated, combined or unitary liability for Other Taxes).

“Corporate Taxable Income” means the income or loss of an associate company for a tax year computed as though such company had filed a separate return on the same basis as used in the Consolidated Return, except that dividend income from associate companies shall be disregarded, and other intercompany transactions eliminated in the Consolidated Return shall be given appropriate effect.

“Designated Official” means the Vice President, Corporate Tax of NiSource Corporate Services Company or such other official assigned the responsibilities of Vice President, Corporate Tax of NiSource Corporate Services Company.

“Other Return” means any consolidated, combined or unitary return of Other Taxes filed by NiSource or another Member of the NiSource Group, whether before or after the date hereof, which covers the operations of one or more Members of the NiSource Group.

“Other Taxes” means any taxes (including any interest and penalties) payable by NiSource or another Member of the NiSource Group to the government of any state, municipal or other political subdivision, including all agencies and instrumentalities of such government.

“Person” means any individual, partnership, firm, corporation, limited liability company, joint stock company, unincorporated association, joint venture, trust or other entity or enterprise, or any government or political subdivision or agency, department or instrumentality thereof.

“Regulations” means the Treasury Regulations promulgated under the Code.

“Separate Return Tax” means the tax on the Corporate Taxable Income of a corporation which is a Member computed for purposes of this Agreement as though such company were not a Member of a consolidated group.

Section 1.2 References, Etc. The words “*hereof*”, “*herein*” and “*hereunder*” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined herein in the singular shall have the same meanings in the plural and *vice versa*. All References herein to any Person includes such Person’s successors and assigns. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement. For purposes of this Agreement, Finance will not be treated as a Member of the NiSource Group and all items of income, deduction, loss, credit or any other tax attribute of Finance shall be treated as an item of income, deduction, loss, credit or tax attribute of NiSource. In this Agreement, unless a clear contrary intention appears the word “*including*” (and with correlative meaning “*include*”) means “including but not limited to”.

ARTICLE II.

Preparation and Filing of Tax Returns; Allocation of Taxes

Section 2.1 Federal Returns.

(a) A U.S. consolidated federal income tax return shall be prepared and filed by NiSource for each taxable year in respect of which this Agreement is in effect and for which the Consolidated Group is required or permitted to file a consolidated federal income tax return. NiSource and all its subsidiaries shall execute and file such consents, elections and other documents that may be required or appropriate for the proper filing of such returns.

(b) (i) The Consolidated Group will elect, on a timely basis, in accordance with Code Section 1552(b) and Section 1.1552-1(c)(2) of the Regulations to allocate its consolidated tax liability (other than alternative minimum tax (“AMT”) and its related credits) among its Members under the method described in Sections 1.1502-33(d)(3) and 1.1552-1(a)(2) commencing with the consolidated taxable year ended December 31, 2001. The fixed percentage to be used for purposes of Regulations section 1.1502-33(d)(3)(i) is 100%. The general effect of such method is to first allocate the consolidated tax liability among the Members of the Consolidated Group on the basis of the percentage of the total consolidated tax which the tax of such Member (other than AMT and its related credits) if computed on a separate return basis would bear to the total amount of the taxes (other than AMT and its related credits) for all Members of the group so computed. Then such method allocates an additional amount (the “Tax Benefit Amount”) to each Member up to, but not greater than, the excess, if any, of its

Separate Return Tax liability (other than AMT and its related credits) over the amount allocated to such Member in the previous sentence. The total of the Tax Benefit Amounts allocated to Members shall result in payments to, and an increase in the earnings and profits of, the Members who had items of deduction, loss or credits to which such Tax Benefit Amount is attributable. This election is intended to comply with Rule 45(c)(5) under the Act, as modified by Section 2(d) below.

(ii) The allocation of the alternative minimum tax liability incurred by the NiSource Group and the resulting minimum tax credit shall be allocated in the manner set forth in Proposed and Temporary Treasury Regulation Sections 1.1502-55. This method generally allocates (i) any AMT paid by the NiSource Group based on the relative separate adjusted AMT of each Member and (ii) the minimum tax credit (AMTC) on the basis of the AMT previously assigned to such Member and assuming that AMTC is utilized on a "first in/first out" methodology, and that to the extent that AMTC arising in one year is not fully utilized, such AMTC is utilized proportionately by the Members previously assigned AMT for that year.

(c) Each Member's allocable share of the consolidated income tax liability as determined in Section 2.1(b) hereby shall be used in both (i) the determination of each Member's earnings and profits and (ii) determining the amounts to be paid (as provided in Section 3.4 of this Agreement) by Members to NiSource with respect to each Member's share of the Consolidated Group's Tax liability and payments from NiSource to Members with respect to the use of a Member's tax attributes.

(d) (i) The aggregate of all amounts paid by Members of the Consolidated Group (the "Paying Members") as a result of the excess of each Members' Separate Return Tax liability (as determined under Section 1.1552-1(a)(2)(ii) of the Regulations) over the amount allocated to such Member as its share of the Consolidated Tax Liability under Code Section 1552 (i.e., the Tax Benefit Amount) shall be paid by NiSource to the other Members (the "Loss Members") which had tax deductions, losses and credits to which such payments by the Paying Members are attributable. The apportionment of such payments among Loss Members shall be in a manner that reflects the Consolidated Group's absorption of such tax attributes in the manner described in Section 2.1(e) below. The payments to the Loss Members for their tax attributes shall be pursuant to a consistent method which reasonably reflects such items of loss or credit (such consistency and reasonableness to be determined by the Designated Official).

(ii) Notwithstanding the provisions of section 2.1(d)(i), the Tax Benefit Amount allocated to NiSource and paid to NiSource as a result of its being a Loss Member shall be limited to its Tax Benefit Amount determined without regard to this section 2.1(b)(ii) multiplied by a fraction, the numerator of which is NiSource's interest deduction attributable to Acquisition Indebtedness, and the denominator of which is the sum of all of NiSource's deductions. The portion of NiSource's Tax Benefit Amount which cannot be allocated and paid to NiSource due to the operation of this Section shall be reallocated to Paying Members of the Consolidated Group other than NiSource in accordance with the principles contained in section 2.1(b)(i).

(e) In apportioning the payments to Loss Members for the Tax Benefit Amount pursuant to Section 2.1(d) hereof:

(i) any consolidated net operating loss ("NOL") shall be allocated among the group Members pursuant to Regulations Section 1.1502-21(b). To the extent the consolidated NOL is carried back, any Member's individually allocable NOL shall be deemed carried back and utilized in proportion to the amount that the Member's NOL bears to the consolidated NOL. Analogous principles shall apply in the case of NOL carryforwards;

(ii) with respect to each type of credit used to offset all or a portion of the Consolidated Tax Liability otherwise payable, such credit shall be allocated among the Members by crediting to each Member an amount of credit which that Member would have available to utilize on a separate return basis in a manner consistent with the method set forth in Section 2.1(e)(i) above.

(iii) the cost of any credit recapture which results in the payment of tax shall be specifically allocated to the Member whose credit is recaptured determined in a manner consistent with the provisions of Section 2.1(e)(i) above.

(f) The allocation of tax shall be subject to further adjustment from time to time on account of the payment of additional tax or the receipt of a refund attributable to either the filing of an amended return or on account of the results of an audit conducted by the Internal Revenue Service or other relevant taxing authority.

Section 2.2 Other Taxes. (a) NiSource will prepare and file (or cause to be prepared and filed) all returns of Other Taxes which are required to be filed with respect to the operations of NiSource and its subsidiaries. In the event any taxing authority requires or permits that a combined, consolidated or unitary return be filed for Other Taxes, which return includes both NiSource and a subsidiary, NiSource may elect to file such return and shall have the right to require any Member to be included in such return. NiSource will advise each of its subsidiaries included in each Other Return and each governmental office in which any Other Return is filed. Other Taxes shall be allocated among the NiSource Group in a manner that is consistent with the method set forth in Article 2 hereof. Furthermore, amounts due to NiSource or from NiSource, with respect to Other Taxes, shall be determined in a manner consistent with Sections 2.1(b) and 2.1(d).

(b) Each Member of the NiSource Group that does not file an Other Return together with any other Member of the NiSource Group shall be solely responsible and obligated to pay the tax liability with respect to such return from its own funds. Such returns shall be prepared and filed by NiSource or the Member filing the Other Return.

(c) If any Member of the NiSource Group is required to file a combined, consolidated or unitary return for Other Taxes with another Member of the NiSource Group, but not with NiSource (an "Other Taxes Subgroup"), then NiSource shall have the rights, powers and

obligations to file such tax returns and apportion among and, collect and remit from, the applicable Members such Other Taxes as the rights, powers and obligations given to NiSource under this Agreement with respect to the Consolidated Tax Liability. Such returns shall be prepared and filed by NiSource. If the right to file a combined, consolidated or unitary return for Other Taxes is optional, then NiSource shall decide which of its subsidiaries should, to the extent permitted by law, join in filing of such return.

Section 2.3 Member Tax Information. The Members of the Consolidated Group shall submit the tax information requested by the Designated Official of NiSource in the manner and by the date requested, in order to enable the Designated Official to calculate the amounts payable by the Members pursuant to Article 3 hereof.

ARTICLE III.

Responsibility for Tax; Intercompany Payments

Section 3.1 Responsibility. Assuming the Members of the Consolidated Group have fulfilled their obligations pursuant to this Article III, then NiSource will be solely responsible for, and will indemnify and hold each Member of the Consolidated Group harmless with respect to, the payment of: (a) the Consolidated Tax Liability for each taxable period for which, as determined under Section 2.1 hereof, NiSource filed a Consolidated Return or should have been filed; and (b) any and all Other Taxes due or payable with respect to any Other Return which is filed by NiSource or should have been filed.

Section 3.2 Federal Tax Payments. (a) With respect to each Consolidated Return Year, the Designated Official of NiSource shall estimate and assess or pay to Members of the Consolidated Group their share of estimated tax payments to be made on a projected consolidated federal income tax return for each year. In making this determination, NiSource shall elect a method for determining estimated tax and each Member shall follow that method; provided, however, under no circumstances shall a Loss Member be paid any amount described in Section 2.1(d) until a date after which NiSource has filed the Consolidated Return for such Consolidated Return Year. Such Members will pay, to NiSource or be paid by NiSource, such estimates not later than the 15th day of the 4th, 6th, 9th and 12th months of such Consolidated Return Year. With respect to any extension payment, the Designated Official of NiSource shall estimate and assess or pay to Members of the Consolidated Group their share of such extension payment. The difference between (1) a Member's estimated tax payments used for computation of the quarterly estimated payments plus their extension payments and (2) such Member's actual Tax Liability for any Consolidated Return Year as determined under Section 2.1(b) hereof, shall be paid to NiSource or by NiSource within sixty (60) days after the filing of the consolidated federal income tax return.

(b) NiSource shall have sole authority, to the exclusion of all other Members of the Consolidated Group, to agree to any adjustment proposed by the Internal Revenue Service or any other taxing authority with respect to items of income, deductions or credits, as well as interest or penalties, attributable to any Member of the Consolidated Group during any Consolidated Return Year in which such Member was a Member of the Consolidated

Group notwithstanding that such adjustment may increase the amounts payable by Members of the Consolidated Group under this Section 3.2 or Section 3.3 hereof. In the event of any adjustment to the Consolidated Tax Liability relating to items of income, deductions or credit, as well as interest or penalties, attributable to any Member of the Consolidated Group by reason of an amended return, claim for refund or audit by the Internal Revenue Service or any other taxing authority, the liability of all other Members of the Consolidated Group under paragraphs (a) of this Section 3.2 or Section 3.3 hereof shall be redetermined to give effect to such adjustment as if such adjustment had been made as a part of the original computation of such liability, and payment from a Member to NiSource or by NiSource to a Member, as the case may be, shall be promptly made after any payments are made to the Internal Revenue Service or any other taxing authority, refunds received or final determination of the matter in the case of contested proceedings. In such event, any payments between the parties shall bear interest at the then prevailing rate or rates on deficiencies assessed by the Internal Revenue Service or any other relevant taxing authority, during the period from the due date of the Consolidated Return (determined without regard to extensions of time for the filing thereof) for the Consolidated Return Year to which the adjustments were made to the date of payment.

Section 3.3 Other Tax Payments. Payments by a Member with respect to Other Taxes and required estimates thereof for which any other Member has joint and several liability shall be calculated and made by or to such Member in the same manner as that provided in Section 3.2. The principles set forth in Section 3.2 governing the determination and adjustment of payments as well as the method of payment to or from such Member with respect to federal income taxes shall be equally applicable in determining and adjusting the amount of and due date of payments to be made to or from such subsidiary with respect to Other Taxes and estimates thereof. Each Member shall pay, directly to the appropriate taxing authority, all taxes for which such Member is liable and for which no other Member has joint or several liability.

Section 3.4 Payment Mechanics. (a) Any payments to be made by a subsidiary of NiSource pursuant to Section 2.1, 2.2, 3.2 or 3.3 hereof shall be made by such subsidiary to NiSource by either promptly crediting as an offset against amounts owed to such Member by NiSource or to the extent no amounts are owed to such Member by NiSource, by cash payments to NiSource. To the extent any payments are to be made to a subsidiary with respect to the use of such subsidiary's tax attributes by the Consolidated Group pursuant to Section 2.1, 2.2, 3.2 or 3.3 hereof, NiSource shall make such payment to such subsidiary by either promptly crediting as an offset against amounts owned by such Member to NiSource, or to the extent no amounts are owed to NiSource by such Member, by cash payments to the Member.

(b) Tax payments by NiSource with respect to any Consolidated Tax Liability shall be paid by NiSource and shall be debited to the Member of the Consolidated Group for their respective shares of such Consolidated Tax Liability as determined pursuant to Article II hereof. Tax Refunds received by NiSource with respect to any Consolidated Tax Liability, shall be paid by NiSource to the Member of the Consolidated Group entitled to such Tax Refund, as determined.

(c) NiSource shall be responsible for maintaining the books and records reflecting the intercompany accounts reflecting the amounts owned, collected and paid with respect to Taxes pursuant to this Agreement.

(d) NiSource may delegate to other Members of the Consolidated Group responsibilities for the collection and disbursement of monies as required under this Agreement as well as responsibilities for maintaining books and records as required under this Agreement.

Section 3.5 Administration. The provisions of this Agreement shall be administered by the Designated Official of NiSource. The interpretations of this Agreement by the Designated Official of NiSource shall be conclusive.

ARTICLE IV.

Miscellaneous Provisions

Section 4.1 Effect. The provisions hereof shall fix the rights and obligations of the parties as to the matters covered hereby whether or not such are followed for federal income tax or other purposes by the Consolidated Group, including the computation of earnings and profits for federal income tax purposes.

Section 4.2 Effective Date and Termination of Affiliation. This Agreement shall be effective with respect to all taxable years ending on or after January 1, 2001, in which any subsidiary of NiSource is a Member of the Consolidated Group for any portion of the tax year. In the event that a party to this Agreement ceases to be a Member of the Consolidated Group, the rights and obligations of such party and each other party to this Agreement shall survive, but only with respect to taxable years including or ending before the date such party ceases to be a Member of the Consolidated Group.

Section 4.3 Notices. Any and all notices, requests or other communications hereunder shall be given in writing (a) if to NiSource to Attention: Vice President, Tax, Facsimile Number: 219-647-6177 and (b) if to any other person, at such other address as shall be furnished by such person by like notice to the other parties.

Section 4.4 Expenses. Each party hereto shall pay its own expenses incident to this Agreement and the transactions contemplated hereby, including all legal and accounting fees and disbursements.

Section 4.5 Benefit and Burden. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors.

Section 4.6 Amendments and Waiver. No amendment, modification, change or cancellation of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person against whom that waiver is sought to be enforced. The failure of any party at any time to insist upon strict performance of any condition, promise, agreement or understanding set forth herein shall not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same or any other condition, promise, agreement or understanding at a future time.

Section 4.7 Assignments. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto and any attempt to do so shall be null and void.

Section 4.8 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 4.9 Entire Agreement. **THIS AGREEMENT SETS FORTH ALL OF THE PROMISES, AGREEMENTS, CONDITIONS, UNDERSTANDINGS, WARRANTIES AND REPRESENTATIONS AMONG THE PARTIES WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY, AND SUPERSEDES ALL PRIOR AGREEMENTS, ARRANGEMENTS AND UNDERSTANDINGS BETWEEN THE PARTIES HERETO, WHETHER WRITTEN, ORAL OR OTHERWISE. THERE ARE NO PROMISES, AGREEMENTS, CONDITIONS, UNDERSTANDINGS, WARRANTIES OR REPRESENTATIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, AMONG THE PARTIES EXCEPT AS SET FORTH HEREIN.**

Section 4.10 Applicable Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF INDIANA.**

Section 4.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and together which shall constitute one instrument. The parties hereto specifically recognize that from time to time other corporations may become Members of the Consolidated Group and hereby agree that such new Members may become Members to this Agreement by executing a copy of this Agreement and it will be effective as if all the Members had re-signed.

Section 4.12 Attorneys' Fees. If any Member or former Member hereto commences an action against another party to enforce any of the terms, covenants, conditions or provisions of this Agreement, or because of a default by a party under this Agreement, the prevailing party in any such action shall be entitled to recover its costs, expenses and losses, including attorneys' fees, incurred in connection with the prosecution or defense of such action from the losing party.

Section 4.13 No Third Party Rights. Nothing in this Agreement shall be deemed to create any right in any creditor or other person or entity not a party hereto and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party.

Section 4.14 Further Documents. The parties agree to execute any and all documents, and to perform any and all other acts, reasonably necessary to accomplish the purposes of this Agreement.

Section 4.15 Headings and Captions. The headings and captions contained in this Agreement are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof if any question of intent should arise.

Section 4.16 Departing Members

(a) In the event that any Member of the NiSource Group at any time leaves the NiSource Group and, under any applicable statutory provision or regulation, that Member is assigned and deemed to take with it all or a portion of any of the tax attributes of the NiSource Group (including but not limited to NOL, credit carry forwards, and AMTC carry forwards), then to the extent that the amount of tax attributes so assigned differs from the amount of such attributes previously allocated to such Member under this agreement, the departing Member shall appropriately settle with the NiSource Group. Such settlement shall consist of payment (1) on a dollar for dollar basis for all differences in credits, and, (2) in the case of NOL differences (or other differences related to other deductions), in a dollar amount computed by reference to the amount of NOL multiplied by the applicable tax rate relating to such NOL. The settlement payment shall be paid to NiSource within sixty days after the Member leaves the NiSource Group. The settlement amounts shall be allocated among the remaining Members of the NiSource Group in proportion to the relative level of attributes possessed by each Member and the attributes of each Member shall be adjusted accordingly.

(b) Upon the departure of any Member from the NiSource Group, such Member shall allocate its items of income, deduction, loss and credit between the period that it was a Member of the NiSource Group and the period thereafter based upon a closing of the books methodology allowed under Treasury Regulation Section 1.1502-76(b)(2). The difference between (1) its prior estimated taxes or payments of Tax Benefit and (2) the amount of taxes due or payments of Tax Benefit due to that Member, shall be appropriately settled on the day such Member leaves the NiSource Group or on an alternative date mutually agreeable in writing to the NiSource Group and the departing Member.

EXECUTED as of the date and year first above written.

By: _____
Printed Name: _____
Title: _____

[_____]

By: _____
Printed Name: _____
Title: _____

[signatures continued]

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**NISOURCE INC.
SYSTEM MONEY POOL AGREEMENT**

This SYSTEM MONEY POOL AGREEMENT (this "**Agreement**") is dated as of _____, 2001 and is entered into by and among NISOURCE INC. ("**NiSource**"), a Delaware corporation and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "**Act**"), NISOURCE FINANCE CORP., an Indiana corporation and wholly-owned subsidiary of NiSource ("**NiSource Finance**"), COLUMBIA ENERGY GROUP, a Delaware corporation and wholly-owned subsidiary of NiSource ("**Columbia Energy**"), NISOURCE CAPITAL MARKETS, INC., an Indiana corporation and wholly-owned subsidiary of NiSource ("**NiSource Capital Markets**"), and the other direct and indirect subsidiaries of NiSource listed on *Attachment A* to this Agreement (each an "**Eligible Borrower**" and, together with NiSource, NiSource Finance, NiSource Capital Markets and Columbia Energy, the "**Parties**").

RECITALS

The Eligible Borrowers from time to time have need to borrow funds on a short-term basis. Some of the Parties from time to time are expected to have funds available to invest on a short-term (less than one year) basis. The Parties desire to establish a pool of funds (the "**System Money Pool**"), to be administered by the Administrative Agent (defined below), to coordinate such investments and borrowings in order to provide for certain of the short-term cash and working capital requirements of the Eligible Borrowers.

NOW THEREFORE, in consideration of the premises and the mutual promises set forth in this Agreement, the Parties agree as follows:

**ARTICLE I
INVESTMENTS AND BORROWINGS**

Section 1.1. Investments in System Money Pool. Each Party will determine each day, on the basis of relevant factors determined in such Party's sole discretion, the amount of funds it has available to invest in the System Money Pool, and will invest such funds in the System Money Pool. The amount of each Party's investments in the System Money Pool shall be evidenced by the records of the Administrative Agent, which shall be conclusive and binding upon all Parties. Each Party may withdraw any of its invested funds from the System Money Pool at any time upon notice to the Administrative Agent.

Section 1.2 Rights to Borrow. All short-term borrowing needs of the Eligible Borrowers may be met by funds in the System Money Pool to the extent such funds are

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available. Each Eligible Borrower shall have the right to make short-term borrowings from the System Money Pool (each a "loan" or a "borrowing") from time to time, subject to the availability of funds and the limitations and conditions set forth in this Agreement and in the applicable orders of the Securities and Exchange Commission ("SEC"). Each Eligible Borrower may request loans from the System Money Pool from time to time during the period from the date of this Agreement until this Agreement is terminated by written agreement of the Parties; *provided*, that the aggregate amount of all loans requested by any Eligible Borrower under this Agreement shall not exceed the applicable borrowing limits set forth in applicable orders of the SEC and other regulatory authorities, resolutions of such Eligible Borrower's shareholders and Board of Directors, such Eligible Borrower's governing corporate documents, and agreements binding upon such Eligible Borrower. No loans through the System Money Pool will be made to, and no borrowings through the System Money Pool will be made by, NiSource, NiSource Finance, NiSource Capital Markets or Columbia Energy.

Section 1.3. Source of Funds.

(a) Funds will be available through the System Money Pool from the following sources to be loaned to the Eligible Borrowers from time to time: (i) surplus funds in the treasuries of the Parties, and (ii) proceeds received by NiSource Finance from the sale of commercial paper, borrowings from banks and other lenders, and other financing arrangements ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such order as the Administrative Agent may determine will result in a lower cost of borrowing to Eligible Borrowers borrowing from the System Money Pool, consistent with the individual borrowing needs and financial standing of the Parties investing funds in the System Money Pool.

(b) Borrowing Parties will be deemed to borrow funds in the System Money Pool *pro rata* from each investing Party in the proportion that the total amount invested by such investing Party bears to the total amount then invested in the System Money Pool. On any day when more than one source of funds invested in the System Money Pool (e.g., surplus treasury funds of NiSource and other Parties ("Internal Funds") and External Funds), with different rates of interest, is used to make loans through the System Money Pool, each borrowing Party will be deemed to borrow *pro rata* from each source of funds in the same proportion that the amount of funds invested by that source bears to the total amount of funds invested in the System Money Pool.

Section 1.4. Interest.

(a) Borrowings from the System Money Pool shall accrue interest on their unpaid principal amount from the respective dates of such borrowings until such principal amount shall be paid in full. Investments of funds in the System Money Pool shall accrue interest on the unpaid principal amount of such investments from the respective dates of such investments until such principal amount shall be repaid in full. Interest shall be payable monthly in arrears and upon payment (including prepayment) in full of the unpaid principal amount of the loan or investment, as applicable.

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(b) The interest rate for all borrowings from and investments in the System Money Pool shall be an interest rate (the "**Composite Rate**"), determined monthly, equal to the weighted average daily interest rate on (i) short-term external borrowings by NiSource Finance plus (ii) earnings on external investments by NiSource Finance.

Section 1.5. Certain Costs. The cost of compensating balances and/or commitment fees paid to banks to maintain credit lines by Parties investing External Funds in the System Money Pool shall initially be paid by the Party maintaining such credit line and shall be reported promptly to the Administrative Agent. These costs shall be retroactively allocated every month among the Eligible Borrowers based on the NiSource Corporate Services Convenience Billing Formula, which assigns such costs to all Eligible Borrowers based on a percentage that is determined by dividing the internal borrowing authorization of each Eligible Borrower by the total internal borrowing authorizations of all Eligible Borrowers.

Section 1.6. Repayment. Each Eligible Borrower receiving a loan under this Agreement shall repay the principal amount of such loan, together with all interest accrued on such loan, on demand and in any event within one year of the date on which such loan was made. All loans made through the System Money Pool may be prepaid by the borrower without premium or penalty and without prior notice.

Section 1.7. Form of Loans to Parties. Loans to the Eligible Borrowers through the System Money Pool will be made pursuant to open-account advances; *provided*, that each Party investing funds in the System Money Pool shall at all times be entitled to receive upon demand one or more promissory notes evidencing any and all investments by such Party. Any such note shall: (a) be substantially in the form attached as *Attachment C* to this agreement, (b) be dated as of the date of the initial borrowing, and (c) mature on demand or on a date agreed by the Parties to the transaction, but in any event within one year after the date of the applicable borrowing.

ARTICLE II OPERATION OF SYSTEM MONEY POOL

Section 2.1 The Administrative Agent. NiSource Corporate Services Company is appointed to be administrative agent for the System Money Pool (the "**Administrative Agent**") with the duties prescribed in this Agreement. The Administrative Agent shall perform its duties under the authority of the appropriate officers of the Parties.

Section 2.2. Duties of the Administrative Agent. The Administrative Agent shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time under this Agreement, shall maintain records of all advances, interest charges and accruals, and interest and principal payments for purposes of this Agreement, and shall prepare periodic reports as to such matters for the Parties. Separate records shall be kept by the Administrative Agent for the System Money Pool established by this Agreement and any other money pool administered by it.

- 4 -

Section 2.3. Investment of Surplus Funds in the System Money Pool. Funds invested in the System Money Pool that are not required to fund System Money Pool loans (with the exception of funds required to satisfy the System Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including: (i) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities; (ii) commercial paper, (iii) certificates of deposit, (iv) bankers' acceptances, (v) repurchase agreements, (vi) tax exempt notes, (vii) tax exempt bonds, (viii) tax exempt preferred stock, and (ix) such other investments as are permitted by Section 9(c) of the Act and Rule 40 under the Act.

Section 2.4. Allocation of Interest Income and Investment Earnings. The interest income and other investment earnings earned by the System Money Pool from loans to Eligible Borrowers and investment of surplus funds will be allocated by the Administrative Agent among the investing Parties in accordance with the proportion each investing Party's investment of funds in the System Money Pool bears to the total amount of funds invested in the System Money Pool and the cost of any External Funds provided to the System Money Pool by NiSource Finance. Interest income and other investment earnings will be computed on a daily basis and settled once per month.

Section 2.5. Event of Default. If any Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or if any proceeding shall be instituted by or against any Party seeking to adjudicate it a bankrupt or insolvent, then the other Parties may declare the unpaid principal amount of any loans to such Party, and all interest on such loans, to be due and payable and all such amounts shall become due and payable immediately.

Section 2.6. Determinations by Administrative Agent are Conclusive. The Administrative Agent is required or authorized by this Agreement to make various determinations, allocations and administrative decisions. When made by the Administrative Agent, all of such determinations, allocations and administrative decisions shall be conclusive and binding upon each of the Parties.

ARTICLE III MISCELLANEOUS

Section 3.1. Amendments. No amendment to this Agreement shall be adopted except in a writing executed by the Parties.

Section 3.2. Legal Responsibility. Parties shall not be liable for the obligations of any other Party under this Agreement. The rights, obligations and liabilities of the Parties under this Agreement are several in accordance with their respective obligations, and not joint.

- 5 -

Section 3.3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Indiana.

[Signature Page Follows]

- 6 -

IN WITNESS WHEREOF, the undersigned companies have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

NISOURCE INC.

By: _____
Name:
Title:

NISOURCE FINANCE CORP.

By: _____
Name:
Title:

NISOURCE CAPITAL MARKETS, INC.

By: _____
Name:
Title:

COLUMBIA ENERGY GROUP

By: _____
Name:
Title:

[SIGNATURES OF OTHER PARTIES]

ATTACHMENT A
(to System Money Pool Agreement)

Eligible Borrowers participating in System Money Pool

NiSource Corporate Services Company
Northern Indiana Public Service Company
Kokomo Gas & Fuel Company
Northern Indiana Fuel & Light Company, Inc.
Bay State Gas Company
Northern Utilities, Inc.
NiSource Pipeline Group, Inc.
Primary Energy, Inc.
Energy USA, Inc. (an Indiana corporation)
Energy USA-TPC Corp.
Energy USA, Inc. (a Massachusetts corporation)
NI Energy Services, Inc.
Crossroads Pipeline Company
NiSource Development Company, Inc.
NiSource Energy Technologies, Inc.
IWC Resources Corporation
SM&P Utility Resources, Inc.
Columbia Gas of Kentucky, Inc.
Columbia Gas of Maryland, Inc.
Columbia Gas of Ohio, Inc.
Columbia Gas of Pennsylvania, Inc.
Columbia Gas of Virginia, Inc.
Columbia Gas Transmission Corporation
Columbia Gulf Transmission Company
Hawg Hauling & Disposal, Inc.
Alamco-Delaware, Inc.
Columbia Assurance Agency, Inc.
Columbia Accounts Receivable Corporation
Columbia Electric Remainder Corporation
Columbia Energy Group Capital Corporation
Columbia Transmission Communications Corporation
Columbia Atlantic Trading Corporation
Columbia Natural Resources Canada, Ltd.
Columbia Deep Water Services Company
Columbia Energy Resources, Inc.
Columbia Energy Services Corporation
Columbia Insurance Corporation, Ltd.
Columbia LNG Corporation
Columbia Natural Resources, Inc.
CP Holdings, Inc.

- 2 -

Columbia Pipeline Corporation
Columbia Energy Power Marketing Corporation
Columbia Energy Retail Corporation
Columbia Service Partners, Inc.
Columbia Propane, L.P.

- 3 -

ATTACHMENT B
(to System Money Pool Agreement)

Parties that are not Eligible Borrowers

NiSource Inc.
NiSource Capital Markets, Inc.
NiSource Finance Corp.
Columbia Energy Group

ATTACHMENT C
(to System Money Pool Agreement)

FORM OF SYSTEM MONEY POOL NOTE

[Date]

\$ (See attached schedule for principal amount outstanding at any time.)

FOR VALUE RECEIVED, the undersigned, _____, a _____
(the "Company"), unconditionally promises to pay to the order of _____ (the
"Lender"), on demand, or on a date agreed to by the Company and the Lender (but in any case
less than one year from the date of the applicable borrowing), at the offices of _____
_____, in lawful money of the United States of America and in immediately available
funds, the aggregate unpaid principal amount of all loans (that are posted on the schedule
annexed to this Note and made a part of this Note) made by the Lender to the Company through
the NiSource Inc. System Money Pool (the "System Money Pool") pursuant to the authorization
in effect from time to time of the Securities and Exchange Commission under the Public Utility
Holding Company Act of 1935, as amended.

The Company further agrees to pay in like money at such office accrued interest
on the unpaid principal amount of this Note from time to time from the date of the applicable
borrowing at an interest rate determined monthly by NiSource Corporate Services Company, in
its capacity as administrator of the System Money Pool, to be equal to the Composite Rate (as
defined in the System Money Pool Agreement, dated as of _____, 2001, among the
Company, the Lender and the other parties to it). Interest shall be payable monthly in arrears and
upon payment (including prepayment) in full of the unpaid principal amount of this Note.

This Note shall be governed by, and construed and interpreted in accordance with,
the laws of the State of Indiana.

IN WITNESS WHEREOF, the undersigned, pursuant to due authorization, has
caused this Note to be executed in its name and on its behalf by its duly authorized officer.

[COMPANY]

By: _____
Name:
Title:

RECEIVED
01 SEP -7 PM 3:55
F.A.U.C.
SECRETARY'S BUREAU

Money Pool Petition Overview of NiSource Money Pool

The NiSource, Inc. System Money Pool Agreement (the "Money Pool") is a contractual arrangement among NiSource, Inc. and its subsidiary companies (the "Subsidiaries") (together, the "System"), approved by the Securities and Exchange Commission (the "Commission") pursuant to the Public Utility Holding Company Act of 1935, which permits efficient short-term financing and investing by pooling temporary excess cash of the Subsidiaries and NiSource. As participants in the Money Pool, Subsidiaries which have temporary excess cash ("Lenders") deposit such funds in the Money Pool. Money Pool funds may be invested in a portfolio of high-quality short-term securities or lent to other Subsidiaries ("Borrowers") on a short-term basis. All companies in the System participate in the Money Pool, although NiSource and certain of the Subsidiaries participate only as Lenders. Each Subsidiary's cash position and the resultant amounts of its deposits or required borrowings, if any, are determined and tracked individually, on a daily basis.

The Money Pool is administered by NiSource Corporate Services, Inc. Funds are consolidated through bank accounts maintained by NiSource Corporate Services, Inc. and, to the extent that the Lenders' deposits exceed the Borrowers' requirements, funds are invested in a portfolio of high quality short-term securities for the benefit of the Lenders.

At any time when the Borrowers' requirements exceed the Lenders' temporary excess cash balances, NiSource, through its NiSource Finance Corp. subsidiary, borrows the required funds externally and then deposits these funds into the Money Pool. At no time does NiSource, Inc. or NiSource Finance Corp. borrow from the Money Pool or from any Subsidiary.

The interest rate charged to Borrowers from the Money Pool and paid to Lenders for deposits to the Money Pool (the "Money Pool Rate") is equal to the composite weighted average rate on all NiSource Finance Corp. short-term borrowing transactions and/or the Money Pool Investment rate. Therefore, during a given month, there could be any combination of NiSource Finance Corp. borrowings and investments. The Money Pool Rate would be the composite of those transactions. In this manner, Money Pool Lenders receive an attractive return on their temporary excess cash investments, and Borrowers are charged a cost-effective interest rate on their borrowings.

NiSource temporary excess funds and Money Pool funds to the extent that such funds exceed the requirements of the Borrowers, are invested in accordance with Short-Term Investment Guidelines (the "Guidelines") approved by the NiSource Chief Financial Officer.

When there are both Lenders (including NiSource) and Borrowers in the Money Pool at the same time, funds of each Lender are allocated pro rata to each Borrower. All borrowings and deposits through the Money Pool are documented in the records of the individual participants.

Revisions to Existing Columbia Energy Group Money Pool

Currently, the borrowing and investment positions of all Columbia money pool participants are consolidated or pooled into one money pool netting account held at PNC Bank in the name of Columbia Energy Group Service Corp. Once the required regulatory approvals are secured to expand the Columbia Money Pool to incorporate "old NiSource" subsidiaries, this netting account will reside within NiSource Corporate Services. The borrowing and investment positions of all Money Pool participants will then consolidated into the NiSource Corporate Services netting account.

Benefits of NiSource/Columbia Money Pool

- Enterprise-wide pooling of cash balances to reduce external borrowings. This improves credit ratios and reduces borrowing costs for all NiSource entities.
- Creates an Internal bank for subsidiaries. This reduces administrative costs and achieves a lower cost of funds for all NiSource entities.
- Reduced external borrowings resulting from money pool utilization represents a net cost savings versus maintaining investment balances at the subsidiary level.
- Money pool automates funds flow throughout the entire enterprise by upstreaming all cash balances via zero balance bank accounts.
- Money pool system automates accounting entry generation via Treasury Workstation platform.
- Money pool system is flexible and scalable.
- Money pool interest rates advantageous to both lenders and borrowers.
- Intercompany financing (short-term) among virtually all of NiSource's subsidiaries would be facilitated by one mechanism – the money pool. External financing activity in the commercial paper and bank credit market is conducted by only one entity – NiSource Finance Corp.
- Enterprise-wide cash concentration and cash management is optimized, as the entire enterprise's daily cash position flows upstream into the money pool. Daily borrowing decision, and therefore pricing, is optimized at the money pool or parent level.
- Intercompany transactions among money pool participants are settled via "book entry," clearing against the money pool account. Intercompany movement of cash is therefore no longer necessary. Transactional cost savings result.
- Money pool system within Resource I.Q. captures all cash and non-cash I/C transactions, and creates a "daily operations report" that the respective accounting departments can book to the general ledger.

Financial Benefits from Money Pool Utilization

The Money Pool structure generally eliminates excess cash balances and external short-term investments at the subsidiary level. This is because excess cash balances of subsidiaries are pooled as Investments into the money pool where subsidiaries needing to borrow funds have access to these investment balances via the money pool. This has the beneficial effect of reducing external borrowings at the parent-holding company level.

Since the parent company's incremental borrowing rate is invariably higher than investment rates for either the parent or its subsidiaries, interest cost savings from the reduced level of external borrowings more than offsets forgone investment income at the subsidiary level. For example, the average borrowing rate for the Columbia Energy Group Money Pool during calendar 2000 was 6.84%, while the average investment rate was 5.78%. Applying this interest rate differential to the current investment balances in the CEG money pool (\$275,869,793) results in an annualized interest cost savings (net of forgone interest income) of \$2.9 million.

SERVICE AGREEMENT NO. 37726
CONTROL NO. 1993-10-02 - 0980

ITS1 SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 01 day of NOVEMBER, 1993, by and between:

COLUMBIA GULF TRANSMISSION COMPANY
("TRANSPORTER")
AND
COLUMBIA GAS OF PENNSYLVANIA INC
("SHIPPER")

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective ITS1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Traiff, First Revised Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284.222 of Subpart G of the Commission's regulations. Shipper warrants that service hereunder is being provided on behalf of ~~AN INTERSTATE PIPELINE COMPANY~~ *Shipper* *AMB* ~~COLUMBIA GAS TRANSMISSION~~ AN INTERSTATE PIPELINE COMPANY COLUMBIA GAS TRANSMISSION

Section 2. Term. Service under this Agreement shall commence as of NOVEMBER 01, 1993, and shall continue in full force and effect from month-to-month thereafter unless terminated by either party upon thirty (30) days written notice to the other prior to the end of the initial term granted or on any anniversary date thereafter. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at Post Office Box 683, Houston, Texas 77001, Attention: Director, Planning, Transportation and Exchange and notices to Shipper shall be addressed to it at:

COLUMBIA GAS OF PENNSYLVANIA INC
200 CIVIC CENTER DRIVE
COLUMBUS, OH 43215

ATTN: ~~MARK WARD~~ *Scott Phelps* *AMB*

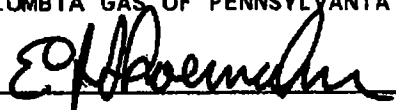
until changed by either party by written notice.

SERVICE AGREEMENT NO. 37726
CONTROL NO. 1993-10-02 - 0980

ITS1 SERVICE AGREEMENT

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: SEE APPENDIX B.

COLUMBIA GAS OF PENNSYLVANIA INC

By  

Title Vice President

COLUMBIA GULF TRANSMISSION COMPANY

By 

Title _____

Appendix A to Service Agreement No. 37726
Under Rate Schedule ITS1
Between (Transporter) COLUMBIA GULF TRANSMISSION COMPANY
and (Shipper) COLUMBIA GAS OF PENNSYLVANIA INC

Transportation Quantity 165,292 Dth per day

The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions is incorporated herein by reference for purposes of listing valid interruptible receipt points and delivery points.

CANCELLATION OF PREVIOUS APPENDIX A

Service changes pursuant to this Appendix A shall become effective as of NOVEMBER 01, 1993. This Appendix A shall cancel and supersede the previous Appendix A effective as of N/A, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

COLUMBIA GAS OF PENNSYLVANIA INC

By

E. Hoemahr *sh*

Its

Vice President

Date

3-9-94

COLUMBIA GULF TRANSMISSION COMPANY

By

Stammeler

Its

Date

Revision No.
Control No. 1993-10-02-0980

Appendix B to Service Agreement No. 37726
Under Rate Schedule ITS1
Between (Transporter) COLUMBIA GULF TRANSMISSION COMPANY
and (Shipper) COLUMBIA GAS OF PENNSYLVANIA, INC.

Superseded Agreements: ITS1 32530
ITS1 33100

Service Agreement No. 79919

Revision No. 1

FTS-1 SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 4 day of February, 2013, by and between COLUMBIA GULF TRANSMISSION COMPANY ("Transporter") and COLUMBIA GAS OF PENNSYLVANIA, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective FTS-1 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of February 1, 2013, and shall continue in full force and effect until October 31, 2019. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Columbia Gas Of Pennsylvania, Inc., 200 Civic Center Drive, P. O. Box 117, Columbus, OH 43216 0117, Attention: Thomas Heckathorn, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS-1 No. 79919, Revision No. 0.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Barn
Title VP
Date 2/8/13

Reviewed by Tm 2/5/2013

COLUMBIA GULF TRANSMISSION COMPANY

By Sherry French
Title Director, Customer Services
Date 2/14/13

Revision No. 1

Appendix A to Service Agreement No. 79919
Under Rate Schedule FTS-1
between Columbia Gulf Transmission Company ("Transporter")
and Columbia Gas Of Pennsylvania, Inc. ("Shipper")

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
February 1, 2013	October 31, 2019	43,632	1/1 - 12/31

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
February 1, 2013	October 31, 2019	2700010	CGT-RAYNE	43,632	1/1 - 12/31

<u>Begin Date</u>	<u>End Date</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Recurrence Interval</u>
February 1, 2013	October 31, 2019	801	GULF-LEACH	43,632	1/1 - 12/31

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

Transporter and Shipper have mutually agreed to the following maximum or minimum pressure commitments:

____ Yes X No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 33 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

____ Yes X No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

____ Yes X No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Barr
Title VP
Date 2/8/13

COLUMBIA GULF TRANSMISSION COMPANY

By Sherry French
Title Director Customer Services
Date 2/14/13

Reviewed by TNR 2/5/2013

SERVICE AGREEMENT NO. 79084
CONTROL NO. 2004-06-07-0004

ITS2 SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 15 day of June, 2004, by and between:

Columbia Gulf Transmission Company
("Transporter")
AND
Columbia Gas Of Pennsylvania, Inc.
("Shipper")

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive the service in accordance with the provisions of the effective ITS2 Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Second Revised Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission herein contained. The maximum obligations of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which the Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284.223 of Subpart G of the Commission's regulations. Shipper warrants that service hereunder is being provided on behalf of Shipper.

Section 2. Term. Service under this Agreement shall commence as of July 1, 2004, and shall continue in full force and effect from month-to-month thereafter unless terminated by either party upon thirty (30) days written notice to the other prior to the end of the initial term granted or any anniversary date thereafter. Shipper and Transporter agree to avail themselves of the Commission's pre-granted abandonment authority upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's Regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: a) specified quantities (contract demand or commodity quantities); b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; c) quantities during specified time periods; d) quantities at specified points, locations, or other defined geographical areas; and e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and f) production and/or reserves committed by the Shipper.

SERVICE AGREEMENT NO. 79084
CONTROL NO. 2004-06-07-0004

ITS2 SERVICE AGREEMENT

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at Post Office Box 1273, Charleston, West Virginia 25325-1273, Attention: Manager – Commercial Services and notices to Shipper shall be addressed to at the following until changed by either party by written notice:

Columbia Gas Of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, OH 43215
ATTN: Scott Phelps

SERVICE AGREEMENT NO. 79084
CONTROL NO. 2004-06-07-0004

ITS2 SERVICE AGREEMENT

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: ITS2 39007.

Columbia Gas Of Pennsylvania, Inc.

By:

Name:

Title:

Date:


Daniel D. Gavito

V.P. Energy Supply Services

6-15-04

Columbia Gulf Transmission Company

By:

Name:

Title:

Date:


T. N. Brasselle

MGR Customer Services

JUN 21 2004

Revision No.
Control No. 2004-06-07-0004

Appendix A to Service Agreement No. 79084

Under Rate Schedule ITS2

Between (Transporter) Columbia Gulf Transmission Company

and (Shipper) Columbia Gas Of Pennsylvania, Inc.

Transportation Quantity 82,646 Dth/day

The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions is incorporated herein by reference for purposes of listing valid interruptible receipt points and delivery points.

CANCELLATION OF PREVIOUS APPENDIX

Service changes pursuant to this Appendix A shall become effective as of July 1, 2004. This Appendix A shall cancel and supersede the previous Appendix A effective as of N/A to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said agreement shall remain in full force and effect.

Columbia Gas Of Pennsylvania, Inc.

By:

Name:

Daniel D. Gavito

Title:

V.P. Energy Supply Services

Date:

6-15-04

Columbia Gulf Transmission Company

By:

Name:

T. N. Brasselle

Title:

MGR Customer Services

Date:

JUN 21 2004

Revision No.
Control No. 2004-06-07-0004

Appendix A to Service Agreement No. 79084

Under Rate Schedule ITS2

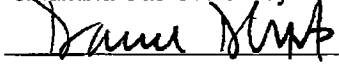
Between (Transporter) Columbia Gulf Transmission Company

and (Shipper) Columbia Gas Of Pennsylvania, Inc.

The Master list of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of July 1, 2004. This Appendix A shall cancel and supersede the previous Appendix A effective as of N/A, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said agreement shall remain in full force and effect.

Columbia Gas Of Pennsylvania, Inc.

By: 
Name: _____
Title: Daniel D. Gavito
V.P. Energy Supply Services
Date: 6-15-04

Columbia Gulf Transmission Company

By: 
Name: T. N. Brasselle
Title: MGR Customer Services
Date: JUN 21 2004

Service Agreement No. 37457

Revision No. 1

ITS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 4 day of February, 2013, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and COLUMBIA GAS OF PENNSYLVANIA, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective ITS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of February 1, 2013, and shall continue from month to month thereafter until terminated by either Transporter or Shipper upon thirty days prior notice. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Columbia Gas Of Pennsylvania, Inc., 200 Civic Center Drive, P. O. Box 117, Columbus, OH 43216 0117, Attention: Thomas Heckathorn, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): ITS No. 37457, Revision No. 0.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Walter Baur
Title VP
Date 2/8/13

Reviewed by TMR 2/5/2013

COLUMBIA GAS TRANSMISSION, LLC

By Sherry French
Title Director Customer Services
Date 2/14/13

Revision No. 1

Appendix A to Service Agreement No. 37457
Under Rate Schedule ITS
between Columbia Gas Transmission, LLC ("Transporter")
and Columbia Gas Of Pennsylvania, Inc. ("Shipper")

<u>Begin</u> <u>Date</u>	<u>End</u> <u>Date</u>	<u>Transportation</u> <u>Quantity Dth/day</u>
February 1, 2013	February 28, 2013	100,000

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid interruptible receipt points and delivery points.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Barr
Title VP
Date 2/8/13

COLUMBIA GAS TRANSMISSION, LLC

By Sherry French
Title Director Customer Services
Date 2/14/13

Reviewed by Tma 2/5/2013

Service Agreement No. 80136

Revision No. 3

FTS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 7th day of August, 2012, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and COLUMBIA GAS OF PENNSYLVANIA, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2012 and shall continue in full force and effect until October 31, 2022. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long

as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Columbia Gas of Pennsylvania, Inc. 200 Civic Center Drive, Columbus, OH 43215, Attention: Thomas Heckathorn, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: FTS 80136 Revision No. 2.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Bann

Title VP

Date 8/6/12

Approved as to form 8/2/2012

COLUMBIA GAS TRANSMISSION, LLC

By Sherry Junch

Title Director, Customer Services & Measurement

Date 8/1/12

KB for

Appendix A to Service Agreement No. 80136
Under Rate Schedule FTS
between Columbia Gas Transmission, LLC ("Transporter")
and Columbia Gas of Pennsylvania, Inc. ("Shipper")

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/Day</u>	<u>Recurrence Interval</u>
November 1, 2012	October 31, 2014	90,788	1/1-12/31
November 1, 2014	October 31, 2019	60,551	1/1-12/31
November 1, 2019	October 31, 2022	21,055	1/1-12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Hourly Flowrate (Dth/hour) 1/</u>	<u>Recurrence Interval</u>
November 1, 2012	October 31, 2022	A05	Delmont Agg Point 05	A05	Delmont Agg Point 05	8,641			1/1-12/31
November 1, 2012	October 31, 2022	A06	McClelland -town Agg Point 06	A06	McClelland -town Agg Point 06	21,596			1/1-12/31
November 1, 2012	October 31, 2022	801	TCO-Leach	801	TCO-Leach	39,496			1/1-12/31
November 1, 2012	October 31, 2022	B15	Unionville-35	B15	Unionville-35	12,283			1/1-12/31
November 1, 2012	October 31, 2022	C16	Delmont-36	C16	Delmont-36	8,772			1/1-12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Design Daily Delivery (Dth/day) 1/</u> <u>Obligation (Dth/day) 1/</u>	<u>Aggregate Daily Quantity 1/</u>	<u>Minimum Delivery Pressure (psig) 1/</u>	<u>Obligation (Dth/hour) 1/</u>	<u>Hourly Flowrate (Dth/hour) 1/</u>	<u>Recurrence Interval</u>
November 1, 2012	October 31, 2022	25-26	COL GAS PA 08-36	25-26	COL GAS PA 08-36	15,106					1/1-12/31
November 1, 2012	October 31, 2022	25-35	COL GAS PA 08-39	25-35	COL GAS PA 08-39	90,788					1/1-12/31
November 1, 2012	October 31, 2022	25-36	COL GAS PA 08-26	25-36	COL GAS PA 08-26	26,580					1/1-12/31
November 1, 2012	October 31, 2022	25-38	COL GAS PA 04-29	25-38	COL GAS PA 04-29	11,701					1/1-12/31
November 1, 2012	October 31, 2022	25-39	COL GAS PA 08-35	25-39	COL GAS PA 08-35	39,080					1/1-12/31
November 1, 2012	October 31, 2022	25-40	COL GAS PA 08-40	25-40	COL GAS PA 08-40	12,711					1/1-12/31
November 1, 2012	October 31, 2022	25E-25	COL GAS PA 08-38	25E-25	COL GAS PA 08-38	90,788					1/1-12/31
November 1, 2012	October 31, 2022	25E-29	COL GAS PA 08-36	25E-29	COL GAS PA 08-36	9,152					1/1-12/31

1/ Application of MDDOs, DDQs and ADQs and/or minimum pressure and/or hourly flowrate shall be as follows:

If Shipper reduces its Transportation Demand in the future, the MDDOs listed on Shipper's SST Service Agreement No. 82610 must also be reduced in accordance with GTC Section 12(e) of Transporter's tariff. A reduction in capacity at specific receipt and delivery points will be subject to Transporter's determination that there is sufficient remaining capacity to meet specific receipt and delivery point combinations.

Service pursuant to this Appendix A, Revision No. 3 shall be effective from November 1, 2012 through October 31, 2022 and will cancel and supersede the previous Appendix A to this Service Agreement, Revision No 2, dated September 1, 2009. The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

 Yes X No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

 Yes X No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

 X Yes No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDO's, and/or ADQ's and/or DDQ's, as applicable, set forth in Transporter's currently effective Rate Schedule SST Service Agreement No. 82610 Appendix A with Shipper, which for such points set forth are incorporated herein by reference.

 Yes X No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

 Yes X No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Leathen Bann

Title VP

Date 8/6/12

Approved on behalf of
TMC 8/1/2012

COLUMBIA GAS TRANSMISSION, LLC

By Sherry French

Title Director, Customer Services
+ measurement

Date 8/1/12

KB fat

Service Agreement No. 50675

Revision No. 6

FTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 4 day of February, 2013, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and COLUMBIA GAS OF PENNSYLVANIA, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of February 1, 2013, and shall continue in full force and effect until October 31, 2016. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Columbia Gas Of Pennsylvania, Inc., 200 Civic Center Drive, P. O. Box 117, Columbus, OH 43216 0117, Attention: Thomas Heckathorn, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS No. 50675, Revision No. 5.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Barn
Title VP
Date 2/8/13

Reviewed by Tm 2/5/2013

COLUMBIA GAS TRANSMISSION, LLC

By Sherry French
Title Director, Customer Services
Date 2/14/13

Revision No. 6

Appendix A to Service Agreement No. 50675
Under Rate Schedule FTS
between Columbia Gas Transmission, LLC ("Transporter")
and Columbia Gas Of Pennsylvania, Inc. ("Shipper")

Transportation Demand

Begin Date	End Date	Transportation Demand Dth/day	Recurrence Interval
February 1, 2013	October 31, 2016	18,334	1/1 - 12/31

Primary Receipt Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Quantity (Dth/day)	Minimum Receipt Pressure Obligation (psig) 1/	Recurrence Interval
February 1, 2013	October 31, 2016	B9	BROAD RUN-19	B9	BROAD RUN-19	13,334		1/1 - 12/31
February 1, 2013	October 31, 2016	C16	DELMONT-36	C16	DELMONT-36	5,000		1/1 - 12/31

Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day) 1/	Design Daily Quantity (Dth/day) 1/	Minimum Delivery Pressure Obligation (psig) 1/	Recurrence Interval
February 1, 2013	October 31, 2016	25-26	COL GAS PA 08-26	25-26	COL GAS PA 08-26	15,106			1/1 - 12/31
February 1, 2013	October 31, 2016	25-35	COL GAS PA 08-35	25-35	COL GAS PA 08-35	18,334			1/1 - 12/31
February 1, 2013	October 31, 2016	25-36	COL GAS PA 08-36	25-36	COL GAS PA 08-36	18,334			1/1 - 12/31
February 1, 2013	October 31, 2016	25-38	COL GAS PA 08-38	25-38	COL GAS PA 08-38	11,701			1/1 - 12/31
February 1, 2013	October 31, 2016	25-39	COL GAS PA 08-39	25-39	COL GAS PA 08-39	18,334			1/1 - 12/31
February 1, 2013	October 31, 2016	25-40	COL GAS PA 08-40	25-40	COL GAS PA 08-40	12,711			1/1 - 12/31
February 1, 2013	October 31, 2016	25E-25	COL GAS PA 04-25	25E-25	COL GAS PA 04-25	18,334			1/1 - 12/31

1/ Application of MDDOs, DDQs and ADQs, minimum pressure and/or hourly flowrate shall be as follows:

THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE INCLUDED WITHIN THE MDDOS, DDQS AND AGGREGATE DAILY QUANTITIES (ADQS) IN AGREEMENT NO. 82610. UPON TERMINATION OF AGREEMENT NO. 82610, TRANSPORTER'S MAXIMUM DELIVERY OBLIGATIONS TO SHIPPER AT THE PRIMARY DELIVERY POINTS LISTED WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY TRANSPORTER AND SHIPPER.

Measuring Point Number
600279

Measuring Point Name

CPA-Snowshoe

MDDO (Dth/day)

5,000

NOTE: Receipt at Delmont C16 must be flowing at equivalent level to provide firm deliveries to this point.

Measuring Point Number

600054

Measuring Point Name

CPA-North York

MDDO (Dth/day)

3,808

Measuring Point Number

600057

Measuring Point Name

CPA-Ridge Ave Hanover

MDDO (Dth/day)

1,178

Measuring Point Number

600058

Measuring Point Name

CPA-Beckmill

MDDO (Dth/day)

1,453

Measuring Point Number

600061

Measuring Point Name

CPA-Glen Rock

MDDO (Dth/day)

118

Measuring Point Number

600062

Measuring Point Name

CPA-Shrewsbury

MDDO (Dth/day)

707

Measuring Point Number

600063

Measuring Point Name

CPA-Emigsville

MDDO (Dth/day)

4,303

Measuring Point Number
600064
Measuring Point Name
CPA-Admire
MDDO (Dth/day)
1,178

Measuring Point Number
600263
Measuring Point Name
CPA-Mont Alto
MDDO (Dth/day)
510

Measuring Point Number
600270
Measuring Point Name
CPA-Abbottstown
MDDO (Dth/day)
79

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

____ Yes ☒ No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

____ Yes ☒ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

☒ Yes ____ No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDOs, ADQs and/or DDQs, as applicable, set forth in Transporter's currently effective Rate Schedule SST Service Agreement No. 82610 Appendix A with Shipper, which are incorporated herein by reference.

____ Yes ☒ No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

____ Yes ☒ No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Barr
Title VP
Date 2/8/13

COLUMBIA GAS TRANSMISSION, LLC

By Sherry French
Title Director, Customer Services
Date 2/14/13

Reviewed by TMA 2/5/2013

Service Agreement No. 56741

Revision No. 7

FTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 30 day of May, 2013, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and COLUMBIA GAS OF PENNSYLVANIA, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2013, and shall continue in full force and effect until October 31, 2017. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Columbia Gas of Pennsylvania, Inc., 200 Civic Center Drive, P. O. Box 117, Columbus, OH 43216 0117, Attention: Thomas Heckathorn, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS No. 56741, Revision No. 6.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Barr
Title VP
Date May 30, 2013

Reviewed by me 6/18/2013

COLUMBIA GAS TRANSMISSION, LLC

By Michelle S. Mna
Title VP, Customer Services & Navigates
Date May 29, 2013

Appendix A to Service Agreement No. 56741
Under Rate Schedule FTS
between Columbia Gas Transmission, LLC ("Transporter")
and Columbia Gas Of Pennsylvania, Inc. ("Shipper")

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
November 1, 2013	October 31, 2017	13,332	1/1 - 12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2013	October 31, 2017	B9	BROAD RUN-19	831918	BROAD RUN	3,332		1/1 - 12/31
November 1, 2013	October 31, 2017	P1	CONOCO-GRANT	833016	Cardinal States (CONOCO)	10,000		1/1 - 12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Delivery Obligation (Dth/day) 1/</u>	<u>Design Daily Quantity (Dth/day) 1/</u>	<u>Minimum Delivery Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
November 1, 2013	October 31, 2017	25E-25	COL GAS PA 04-25			13,332			1/1 - 12/31

1/ Application of MDDOs, DDQs and ADQs, minimum pressure and/or hourly flowrate shall be as follows:

Upon termination of SST Service Agreement No. 82610, Transporter's Maximum Daily Delivery Obligations (MDDOs) to Shipper at the Primary Delivery Points listed below will be as follows unless otherwise agreed to by Transporter and Shipper:

600054 – CPA-North York - 3,809 dth/day
600057 – CPA-Ridge Ave Hanover - 1,178 dth/day
600058 – CPA-Beckmiller - 1,452 dth/day
600061 – CPA-Glen Rock - 117 dth/day
600062 – CPA-Shrewsbury - 706 dth/day
600063 – CPA-Emigsville - 4,303 dth/day
600064 – CPA-Admire - 1,178 dth/day
600263 – CPA Mont Alto - 511 dth/day
600270 – CPA-Abbottstown - 78 dth/day

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

____ Yes ☒ No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

____ Yes ☒ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

☒ Yes ____ No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDOs, ADQs and/or DDQs, as applicable, set forth in Transporter's currently effective Rate Schedule SST Service Agreement No. 82610 Appendix A with Shipper, which are incorporated herein by reference.

____ Yes ☒ No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

____ Yes ☒ No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By *Heather Barr*
Title VP
Date May 30, 2013

Reviewed by TMR 6/18/2013

COLUMBIA GAS TRANSMISSION, LLC

By *Miller S. TMR*
Title VP, Customer Services & Navigates
Date May 29, 2013

SERVICE AGREEMENT NO. 56742
CONTROL NO. 1997-06-16 - 0007

FTS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of August, 1997 by and between:

COLUMBIA GAS TRANSMISSION CORPORATION
("TRANSPORTER")
AND
COLUMBIA GAS OF PENNSYLVANIA, INC.
("SHIPPER")

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Second Revised Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284.223 of Subpart G of the Commission's regulations. Shipper warrants that service hereunder is being provided on behalf of SHIPPER.

Section 2. Term. Service under this Agreement shall commence as of NOVEMBER 01, 1999, and shall continue in full force and effect until OCTOBER 31, 2014, and from YEAR -to-YEAR thereafter unless terminated by either party upon 2 YEARS' written notice to the other prior to the end of the initial term granted or any anniversary date thereafter. Pre-granted abandonment shall apply upon termination of the Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at Post Office Box 1273, Charleston, West Virginia 25325-1273, Attention: Manager - Commercial Services and notices to Shipper shall be addressed to it at:

COLUMBIA GAS OF PENNSYLVANIA, INC.,
200 CIVIC CENTER DRIVE
P O BOX 117
COLUMBUS, OH 43216-0117

ATTN: THOMAS HECKATHORN;
until changed by either party by written notice.

SERVICE AGREEMENT NO. 56742
CONTROL NO. 1997-06-16 - 0007

FTS SERVICE AGREEMENT

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: SEE APPENDIX B.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: *Gary Robinson* *GR*
Name: GARY D. ROBINSON *KWC*
Title: PRESIDENT AND CEO
Date: JULY 30 1997

COLUMBIA GAS TRANSMISSION CORPORATION

By: *G. Todd Lilly* *AML*
Name: G. Todd Lilly
Title: Mgr. Commercial Services
Date: August 4, 1997

Appendix A to Service Agreement No. 56742
Under Rate Schedule FTS

Revision No.
Control No. 1997-08-18 - 0007

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

Transportation Demand 13,334 Dth/day

Primary Receipt Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	F o o t n o t	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
A01	KENQVA AGGREG POINT	A01			10,000
B9	BROAD RUN	B9			3,334

Revision No.

Control No. 1997-06-18 - 0007

Appendix A to Service Agreement No. 56742

Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

Primary Delivery Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	F o o t n o t e	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/Day)
25E	COL GAS PA OP-04	25E			13,334

Appendix A to Service Agreement No. 56742
Under Rate Schedule FTS

Between (Transporter) COLUMBIA GAS TRANSMISSION CORPORATION
and (Shipper) COLUMBIA GAS OF PENNSYLVANIA, INC.

GFNT / THIS SERVICE AGREEMENT AND ITS EFFECTIVENESS ARE SUBJECT TO A PRECEDENT
AGREEMENT NO. 47754 BETWEEN ~~BUYER AND SELLER~~ DATED MAY 1, 1995.

Transporter and Shipper

SEH

THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE
INCLUDED WITH THE MDDOS, DDQ'S AND AGGREGATE DAILY QUANTITIES (ADQS) IN
AGREEMENT NO. 38085. UPON TERMINATION OF AGREEMENT NO. 38085, ~~SELLER'S~~
MAXIMUM DELIVERY OBLIGATIONS TO ~~BUYER~~ AT THE PRIMARY DELIVERY POINTS LISTED
WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY ~~SELLER AND BUYER~~.

Shipper

Transporter and Shipper.

SEH

DDQ

SEH

STATION NUMBER	STATION NAME	MDDO (DTH)
800054	CPA NORTH YORK	3,808
800057	RIDGE AVE HANOVER	1,178
800058	CPA BECKMILL ROAD	1,453
800061	GLENN ROCK	118
800062	SHREWSBURY	707
800063	CPA EMIGSVILLE	4,303
800064	CPA ADMIRE	1,178
800253	COL PA MONT ALTO	510
800270	CPA ABBOTTSTOWN	79

4 2SE

25

Revision No.
Control No. 1997-06-16 - 0007

Appendix A to Service Agreement No. 56742

Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of NOVEMBER 01, 1998. This Appendix A shall cancel and supersede the previous Appendix A effective as of N/A, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Gary J. Robinson *578*
Name: Gary J. Robinson
Title: President and CEO
Date: July 30, 1997

COLUMBIA GAS TRANSMISSION CORPORATION

By: G. Todd Lilly *j ash*
Name: G. Todd Lilly *BSC*
Title: Mgr. Commercial Services
Date: August 4, 1997

Exhibit No. 4
Schedule No. 11
Attachment W
Page 6 of 14
Witness: K. K. Miller

Appendix A to Service Agreement No. 58742

Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

Transportation Demand 13,334 Dth/day

Primary Receipt Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot note	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
A01	KENOVA AGGREG POINT	A01			0
B9	BROAD RUN	B9			3,334
901	TCO-LEACH	901			10,000

Appendix A to Service Agreement No. 55742

Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

Primary Delivery Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot note	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/Day)
25E	COL GAS PA OP-04	25E			13,334

Appendix A to Service Agreement No. 58742

Under Rate Schedule FTS

Between (Transporter) COLUMBIA GAS TRANSMISSION CORPORATION
and (Shipper) COLUMBIA GAS OF PENNSYLVANIA, INC.

OFNT / THIS SERVICE AGREEMENT AND ITS EFFECTIVENESS ARE SUBJECT TO A PRECEDENT
AGREEMENT NO. 47754 BETWEEN ~~BUYER~~ AND ~~SELLER~~ DATED MAY 1, 1995.

~~SEN~~ Shipper Transporter ~~SEN~~

THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE
INCLUDED WITH THE MDDOS, DDQ'S AND AGGREGATE DAILY QUANTITIES (ADQS) IN
AGREEMENT NO. 38095. UPON TERMINATION OF AGREEMENT NO. 38095, ~~SELLER'S~~ Transporters' ~~SEN~~
MAXIMUM DELIVERY OBLIGATIONS TO ~~BUYER~~ AT THE PRIMARY DELIVERY POINTS LISTED
WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY ~~SELLER AND BUYER~~.

~~SEN~~

Transporter and Shipper. ~~SEN~~

STATION NUMBER	STATION NAME	MDDO (DTH)
600054	CPA NORTH YORK	3,808
600057	RIDGE AVE HANOVER	1,178
600058	CPA BECKMILL ROAD	1,453
600061	GLENN ROCK	118
600062	SHREWSBURY	707
600063	CPA EMIGSVILLE	4,303
600064	CPA ADMIRE	1,178
600263	COL PA MONT ALTO	510
600270	CPA ABBOTTSTOWN	79

Appendix A to Service Agreement No. 56742

Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of NOVEMBER 01, 1999. This Appendix A shall cancel and supersede the previous Appendix A effective as of NOVEMBER 01, 1999, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: [Signature] *3/2*
Name: Gary J. Robinson
Title: President + Chief Executive Officer
Date: 8/26/99

COLUMBIA GAS TRANSMISSION CORPORATION

By: [Signature]
Name: G. Todd Lilly *gw 8/27*
Title: Manager - Commercial Services
Date: September 2, 1999

Revision No. 2
Control No. 1999-09-05 - 0248

Appendix A to Service Agreement No. 56742

Under Rate Schedule. FTS

Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbla Gas Of Pennsylvania, Inc.

Transportation Demand 13,334 Dth/day

Primary Receipt Points.

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot- note	Measuring Point Name	Maximum Daily Quantity(Dth/Day)
A01	KENOVA AGG POINT-19	A01			0
B9	BROAD RUN-19	B9			3,334
801	TCO-LEACH	801			10,000

Revision No. 2
Control No. 1999-09-05 - 0248

Appendix A to Service Agreement No. 56742

Under Rate Schedule. FTS

**Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.**

Primary Delivery Points.

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot- note	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/Day)
25E-25	COL GAS PA 04-25	25E-25			13,334

Appendix A to Service Agreement No. 56742

Under Rate Schedule. FTS

Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

GFNT / THIS SERVICE AGREEMENT AND ITS EFFECTIVENESS ARE SUBJECT TO A PRECEDENT
AGREEMENT NO. 47754 BETWEEN BUYER AND SELLER DATED MAY 1, 1995.

THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE
INCLUDED WITH THE MDDOS, DDQ'S AND AGGREGATE DAILY QUANTITIES (ADQS) IN
AGREEMENT NO. 38095. UPON TERMINATION OF AGREEMENT NO. 38095, SELLER'S
MAXIMUM DELIVERY OBLIGATIONS TO BUYER AT THE PRIMARY DELIVERY POINTS LISTED
WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY SELLER AND BUYER.

STATION NUMBER	STATION NAME	MDDO (DTH)
600054	CPA NORTH YORK	3,808
600057	RIDGE AVE HANOVER	1,178
600058	CPA BECKMILL ROAD	1,453
600061	GLENN ROCK	118
600062	SHREWSBURY	707
600063	CPA EMIGSVILLE	4,303
600064	CPA ADMIRE	1,178
600263	COL PA MONT ALTO	510
600270	CPA ABBOTTSTOWN	79

Appendix A to Service Agreement No. 56742

Under Rate Schedule FTS

Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

The Master list of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of November 01, 1999. This Appendix A shall cancel and supersede the previous Appendix A effective as of November 01, 1999, to the Service Agreement referenced above. With the exception of this Appendix A, other terms and conditions of said agreement shall remain in full force and effect.

Columbia Gas Of Pennsylvania, Inc.

By:

Gary J. Robinson

GR

Name: Gary J. Robinson

Title: President and Chief Executive Officer

Date: 11/29/99

Columbia Gas Transmission Corporation *TD*

By:

G. Todd Lilly

Name: G. Todd Lilly

Title: Manager - Commercial Services

Date: October 13, 1999

Revision No. 1
Control No. 1888-07-27 - 0016

Appendix A to Service Agreement No. 88742
Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

Transportation Demand 13,334 Dth/day

Primary Receipt Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Post note	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
A01	KENOVA AGGREG POINT	A01			0
B0	BROAD RUN	B0			3,334
B01	TCO-LEACH	B01			10,000

Revision No. 1
Control No. 1999-07-27 - 0018

Appendix A to Service Agreement No. 58742
Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

Primary Delivery Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot note	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/Day)
25E	COL GAS PA OP-04	25E			13,334

Exhibit No. 4
Schedule No. 11
Attachment W
Revision 1
Page 2 of 4
Witness: K. K. Miller

Revision No. 1
Control No. 1989-07-27 - 0010

Appendix A to Service Agreement No. 56742

Under Rate Schedule FTS

Between (Transporter) COLUMBIA GAS TRANSMISSION CORPORATION
and (Shipper) COLUMBIA GAS OF PENNSYLVANIA, INC.

GPNT / THIS SERVICE AGREEMENT AND ITS EFFECTIVENESS ARE SUBJECT TO A PRECEDENT
AGREEMENT NO. 47754 BETWEEN ~~BUYER~~ AND ~~SELLER~~ DATED MAY 1, 1986.

~~SEN~~ Shipper Transporter ~~SEN~~

THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE
INCLUDED WITH THE MDDOS, DDQ'S AND AGGREGATE DAILY QUANTITIES (ADQS) IN
AGREEMENT NO. 38085. UPON TERMINATION OF AGREEMENT NO. 38085, ~~SELLER'S~~ Transporters' ~~SEN~~
MAXIMUM DELIVERY OBLIGATIONS TO ~~BUYER~~ AT THE PRIMARY DELIVERY POINTS LISTED
WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY ~~SELLER AND BUYER~~.
~~SEN~~ Shipper

Transporter and Shipper. ~~SEN~~

STATION NUMBER	STATION NAME	MDDO (DTH)
800054	CPA NORTH YORK	3,808
800057	RIDGE AVE HANOVER	1,178
800058	CPA BECKMILL ROAD	1,453
800061	GLENN ROCK	110
800062	SHREWSBURY	707
800063	CPA EMIGSVILLE	4,303
800064	CPA ADMIRE	1,178
800263	COL PA MONT ALTO	510
800270	CPA ABBOTTSTOWN	79

Exhibit No. 4
Schedule No. 11
Attachment W
Revision 1
Page 3 of 4
Witness: K. K. Miller

Revision No. 1
Control No. 1999-07-27 - 0018

Appendix A to Service Agreement No. 58742

Under Rate Schedule FTS

Between (Transporter)
and (Shipper)

COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF PENNSYLVANIA, INC.

The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of NOVEMBER 01, 1999. This Appendix A shall cancel and supersede the previous Appendix A effective as of NOVEMBER 01, 1998, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: _____
Name: Gary J. Robinson *GR*
Title: President + Chief Executive Officer
Date: 8/26/99

COLUMBIA GAS TRANSMISSION CORPORATION

By: G. Todd Lilly
Name: G. Todd Lilly *gtl*
Title: Manager - Commercial Services
Date: September 2, 1999

Exhibit No. 4
Schedule No. 11
Attachment W
Revision 1
Page 4 of 4
Witness: K. K. Miller

Revision No. 2
Control No. 1999-09-05 - 0248

Appendix A to Service Agreement No. 56742

Under Rate Schedule. FTS

**Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.**

Transportation Demand 13,334 Dth/day

Primary Receipt Points.

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot- note	Measuring Point Name	Maximum Daily Quantity(Dth/Day)
A01	KENOVA AGG POINT-19	A01			0
B9	BROAD RUN-19	B9			3,334
801	TCO-LEACH	801			10,000

Exhibit No. 4
Schedule No. 11
Attachment W
Revision 2
Page 1 of 4
Witness: K. K. Miller

Revision No. 2
Control No. 1999-09-05 - 0248

Appendix A to Service Agreement No. 56742

Under Rate Schedule. FTS

**Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.**

Primary Delivery Points.

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Foot- note	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/Day)
25E-25	COL GAS PA 04-25	25E-25			13,334

Exhibit No. 4
Schedule No. 11
Attachment W
Revision 2
Page 2 of 4
Witness: K. K. Miller

Appendix A to Service Agreement No. 56742

Under Rate Schedule. FTS

Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

GENT / THIS SERVICE AGREEMENT AND ITS EFFECTIVENESS ARE SUBJECT TO A PRECEDENT AGREEMENT NO. 47754 BETWEEN BUYER AND SELLER DATED MAY 1, 1995.

THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE INCLUDED WITH THE MDDOS, DDQ'S AND AGGREGATE DAILY QUANTITIES (ADQS) IN AGREEMENT NO. 38095. UPON TERMINATION OF AGREEMENT NO. 38095, SELLER'S MAXIMUM DELIVERY OBLIGATIONS TO BUYER AT THE PRIMARY DELIVERY POINTS LISTED WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY SELLER AND BUYER.

STATION NUMBER	STATION NAME	MDDO (DTH)
600054	CPA NORTH YORK	3,808
600057	RIDGE AVE HANOVER	1,178
600058	CPA BECKMILL ROAD	1,453
600061	GLENN ROCK	118
600062	SHREWSBURY	707
600063	CPA EMIGSVILLE	4,303
600064	CPA ADMIRE	1,178
600263	COL PA MONT ALTO	510
600270	CPA ABBOTTSTOWN	79

Appendix A to Service Agreement No. 56742

Under Rate Schedule FTS

**Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.**

The Master list of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of November 01, 1999. This Appendix A shall cancel and supersede the previous Appendix A effective as of November 01, 1999, to the Service Agreement referenced above. With the exception of this Appendix A, other terms and conditions of said agreement shall remain in full force and effect.

Columbia Gas Of Pennsylvania, Inc.

By:

Gary J. Robinson

GR

Name: Gary J. Robinson

Title: President and Chief Executive Officer

Date: 11/29/99

Columbia Gas Transmission Corporation *GR*

By:

G. Todd Lilly

Name: G. Todd Lilly

Title: Manager - Commercial Services

Date: October 13, 1999

SERVICE AGREEMENT NO. 80264
CONTROL NO. 2004-05-21-0006

FTS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 14th day of October, 2004, by and between:

Columbia Gas Transmission Corporation
("Transporter")
AND
Columbia Gas Of Pennsylvania, Inc.
("Shipper")

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Second Revised Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284, 223 of Subpart G of the Commission's regulations. Shipper warrants that service hereunder is being provided on behalf of Shipper.

Section 2. Term. Service under this Agreement shall commence as of November 1, 2004, and shall continue in full force and effect until October 31, 2019. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate; but not less than Transporter's minimum rate. Such discounted rate may apply to: a) specified quantities (contract demand or commodity quantities); b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; c) quantities during specified time periods; d) quantities at specified points, locations, or other defined geographical areas; and e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported). In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sheets. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

SERVICE AGREEMENT NO. 80264
CONTROL NO. 2004-05-21-0006

FTS SERVICE AGREEMENT

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at Post Office Box 1273, Charleston, West Virginia 25325-1273, Attention: Manager – Customer Services and notices to Shipper shall be addressed to it at:

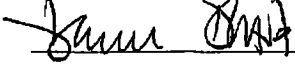
Columbia Gas Of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, OH 43215
ATTN: Scott Phelps

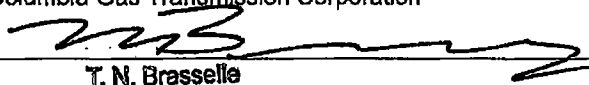
until changed by either party by written notice.

SERVICE AGREEMENT NO. 80264
CONTROL NO. 2004-05-21-0006

FTS SERVICE AGREEMENT

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: FTS 75958.

By:  
Name: Daniel D. Gavito
Title: V.P. Energy Supply Services
Date: 10-7-04

Columbia Gas Transmission Corporation
By: 
Name: T. N. Brassella
Title: MGR Customer Services
Date: OCT 18 2004

Revision No.
Control No. 2004-05-21-0006

Appendix A to Service Agreement No. 80264
Under Rate Schedule FTS
Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

Transportation Demand 1,800 Dth/Day

Primary Receipt Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Quantity (Dth/Day)	Minimum Receipt Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/
801	TCO-LEACH	801		1,800		

Revision No.
Control No. 2004-05-21-0006

Appendix A to Service Agreement No. 80264
Under Rate Schedule FTS
Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

Primary Delivery Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day) 1/	Design Daily Quantity (Dth/Day) 1/	Aggregate 1/ Daily Quantity	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/
25-35	COL GAS PA 08-35	619688	MONACA	1,800				

Revision No.
Control No. 2004-05-21-0006

Appendix A to Service Agreement No. 80264

Under Rate Schedule FTS

Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

1/ Application of MDDOs, DDQs, and ADQs and/or minimum pressure and/or hourly flowrate shall be as follows:

Revision No.
Control No. 2004-05-21-0006

Appendix A to Service Agreement No. 80264

Under Rate Schedule FTS

Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

The Master list of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

☐ Yes ☒ No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

☐ Yes ☒ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

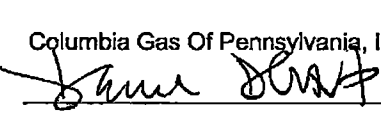
Service pursuant to this Appendix A, Revision No. 0 shall be effective November 1, 2004 through October 31, 2019.

☐ Yes ☒ No (Check applicable blank) This Appendix A, Revision No. 0 shall cancel and supersede the Previous Appendix A, Revision No. ___ effective as of _____, 20___, to the Service Agreement referenced above.

☐ Yes ☒ No (Check applicable blank) All Gas shall be delivered at existing points of interconnection within the MDDO's, and/or ADQ's, and/or DDQ's, as applicable, set forth in Transporter's currently effective Rate Schedule ___ Appendix A, Revision No. 0 with Shipper, which for such points set forth are incorporated herein by reference.

With the exception of this Appendix A, Revision No. 0 all other terms and conditions of said Service Agreement shall remain in full force and effect.

Columbia Gas Of Pennsylvania, Inc.

By: 

Name: _____

Title: _____

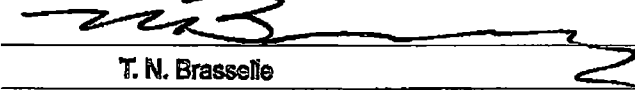
Daniel D. Gavito

V.P. Energy Supply Services

Date: _____

10-7-04

Columbia Gas Transmission Corporation

By: 

Name: _____

T. N. Brasselle

Title: _____

MGR Customer Services

Date: _____

OCT 18 2004

Service Agreement No. 82610

Revision No. 5

SST SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 16th day of may, 2012, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and COLUMBIA GAS OF PENNSYLVANIA, INC. ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective SST Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence as of June 1, 2012, and shall continue in full force and effect until March 31, 2020. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long

as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at 200 Civic Center Drive, Columbus, OH 43216-0117 Attention: Tom Heckathorn, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: SST 82610 Revision No. 4.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Brun

Title VP

Date 5/16/12

COLUMBIA GAS TRANSMISSION, LLC

By William Miller

Title Contracts Team Lead

Date 5-21-12

Approved as to form TML 5/15/2012

Appendix A to Service Agreement No. 82610
Under Rate Schedule SST
between Columbia Gas Transmission, LLC ("Transporter")
and Columbia Gas of Pennsylvania, Inc. ("Shipper")

Transportation Demand

<u>Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
June 1, 2012	March 31, 2020	456,876	10/1 - 3/31
June 1, 2012	March 31, 2020	228,438	4/1 - 9/30

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Hourly Flowrate (Dth/hour) 1/</u>	<u>Recurrence Interval</u>
June 1, 2012	September 30, 2012	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2012	March 31, 2013	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2013	September 30, 2013	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2013	March 31, 2014	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2014	September 30, 2014	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2014	March 31, 2015	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2015	September 30, 2015	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2015	March 31, 2016	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2016	September 30, 2016	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2016	March 31, 2017	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2017	September 30, 2017	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2017	March 31, 2018	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2018	September 30, 2018	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2018	March 31, 2019	STOR	RP Storage Point TCO	456,876		10/1 - 3/31
April 1, 2019	September 30, 2019	STOR	RP Storage Point TCO	228,438		4/1 - 9/30
October 1, 2019	March 31, 2020	STOR	RP Storage Point TCO	456,876		10/1 - 3/31

Appendix A to Service Agreement No.

82610

Revision No. 5

Under Rate Schedule

SST

Between (Transporter)

Columbia Gas Transmission, LLC

and (Shipper)

Columbia Gas Of Pennsylvania, Inc.

Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	400355	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	400355	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600254	CPA Whitely Creek	9,789	8,131		180		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600254	CPA Whitely Creek	16,048	13,330		180		10/01 - 03/31
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600255	GRIMES FARM	580	574		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600255	GRIMES FARM	950	941		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600257	RT219	1,846	1,952		125		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600257	RT219	3,027	3,200		125		10/01 - 03/31
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600513	MORRIS	56	56		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	600513	MORRIS	92	92		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	601335	ALBERT GALLATIN	87	87		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	601335	ALBERT GALLATIN	143	143		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	635106	KEYSTONE LIME	317			75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	635106	KEYSTONE LIME	520			75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400351	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400351	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400359	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400359	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400361	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400361	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400363	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400363	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400391	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400391	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400395	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400395	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400405	CPA PAY GAS	0					04/01 - 09/30

Appendix A to Service Agreement No.

82610

Revision No. 5

Under Rate Schedule

SST

Between (Transporter)

Columbia Gas Transmission, LLC

and (Shipper)

Columbia Gas Of Pennsylvania, Inc.

Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400405	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400677	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400677	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400683	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400683	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400691	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	400691	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600214	LACOCK STREET	2,525	2,525		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600214	LACOCK STREET	4,140	4,140		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600216	T.P. Biscup Lane	803	803		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600216	T.P. Biscup Lane	1,316	1,316		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600217	SULLIVAN PLAN	425	425		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600217	SULLIVAN PLAN	696	696		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600218	HALL FARM	4,885	3,926		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600218	HALL FARM	8,008	6,436		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600219	AMBRIDGE	17,231	12,151		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600219	AMBRIDGE	28,247	19,920		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600221	CLINTON	366	366		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600221	CLINTON	600	600		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600222	PARIS	174	174		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600222	PARIS	286	286		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600223	MIDWAY	520	520		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600223	MIDWAY	853	853		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600224	MCCANDLESS	42,013	33,982		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600224	MCCANDLESS	68,874	55,708		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600226	T-P NOBLESTOWN	1,453	1,453		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600226	T-P NOBLESTOWN	2,382	2,382		75		10/01 - 03/31

Appendix A to Service Agreement No.

82610

Revision No. 5

Under Rate Schedule

SST

Between (Transporter)

Columbia Gas Transmission, LLC

and (Shipper)

Columbia Gas Of Pennsylvania, Inc.

Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600227	NORTH STREET	178	178		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600227	NORTH STREET	291	291		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600228	CECIL GREENTREE	28,961	22,570		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600228	CECIL GREENTREE	47,477	37,000		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600229	PATTERSON MILLS	172	154		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600229	PATTERSON MILLS	282	252		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600230	AVELLA	125	125		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600230	AVELLA	205	205		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600231	HICKORY	1,192	1,192		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600231	HICKORY	1,954	1,954		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600232	CPA Sharp Farm	7,320	7,043		250		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600232	CPA Sharp Farm	12,000	11,546		250		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600233	TANNEHILL	38,487	29,090		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600233	TANNEHILL	63,093	47,689		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600234	HOUSTON	526	526		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600234	HOUSTON	862	862		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600235	LINDEN	4,277	4,270		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600235	LINDEN	7,011	7,000		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600236	CPA McMurray	600	600		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600236	CPA McMurray	984	984		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600237	CPA Hixon Wallace	10,344	2,309		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600237	CPA Hixon Wallace	16,957	3,786		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600238	CPA-Goat Hill	14,238	13,920		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600238	CPA-Goat Hill	23,341	22,820		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600240	WEST ALEXANDER	229	229		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600240	WEST ALEXANDER	376	376		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600241	RUFFS CREEK	112	112		50		04/01 - 09/30

Appendix A to Service Agreement No.

82610

Revision No. 5

Under Rate Schedule

SST

Between (Transporter)

Columbia Gas Transmission, LLC

and (Shipper)

Columbia Gas Of Pennsylvania, Inc.

Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600241	RUFFS CREEK	184	184		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600243	SOUTH JEANETTE	12,200	9,776		225		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600243	SOUTH JEANETTE	20,000	16,027		225		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600244	North Jeannette	1,208	1,208		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600244	North Jeannette	1,980	1,980		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600245	CPA Adamsburg	7,320	5,997		225		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600245	CPA Adamsburg	12,000	9,831		225		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600246	ARMBURST	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600246	ARMBURST	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600247	WIGLE HILL	93	92		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600247	WIGLE HILL	153	150		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600248	CPA-Fisher Heights	4,400	2,335		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600248	CPA-Fisher Heights	7,213	3,828		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600249	KINDER FARM	4,880	4,025		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600249	KINDER FARM	8,000	6,599		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600250	ALLENPORT	5,016	4,880		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600250	ALLENPORT	8,223	8,000		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600251	BEALLSVILLE	2,851	1,586		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600251	BEALLSVILLE	4,674	2,600		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600252	MARIANA	593	593		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600252	MARIANA	972	972		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600256		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600256		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600284	J&L STEEL SOUTH	1,128	1,128		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600284	J&L STEEL SOUTH	1,849	1,849		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600291	PENN BIRMINGHAM	38	38		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600291	PENN BIRMINGHAM	63	63		100		10/01 - 03/31

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600295	CPA WHEELING PGH	3,782	629		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600295	CPA WHEELING PGH	6,200	1,031		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600296	PITT PROCESSING &	31	31		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600296	PITT PROCESSING &	50	50		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600433	Sangston Well G-8	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600433	Sangston Well G-8	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600447	GEORGETOWN	67	67		20		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600447	GEORGETOWN	110	110		20		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600451	BOWER HILL	56	56		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600451	BOWER HILL	92	92		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600452	NERO PLAN	99	99		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600452	NERO PLAN	162	162		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600454	GLASGOW	27	27		20		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600454	GLASGOW	44	44		20		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600461	PRESTIGE FURNITURE	123	123		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600461	PRESTIGE FURNITURE	201	201		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600478	GARDENER FARM	104	104		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600478	GARDENER FARM	171	171		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600484	WEST MIDDLETOWN	67	67		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600484	WEST MIDDLETOWN	110	110		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600486	ROUTE 22	60	48		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600486	ROUTE 22	98	79		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600492	THOMAS	89	89		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600492	THOMAS	146	146		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600493	MERCHANT FARM	54	54		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600493	MERCHANT FARM	89	89		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600494	BULGER	82	82		75		04/01 - 09/30

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600494	BULGER	135	135		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600495	CROSS CREEK	52	52		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600495	CROSS CREEK	86	86		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600505	HICKORY	117	117		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600505	HICKORY	192	192		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600506	MCCALISTER	126	126		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600506	MCCALISTER	206	206		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600508	SCENERY HILL EAST	27	20		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600508	SCENERY HILL EAST	45	32		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600509	VICTORY HILL	99	99		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600509	VICTORY HILL	163	163		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600510	CENTERVILLE	110	110		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600510	CENTERVILLE	181	181		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600517	MCVEIL PLAN	78	78		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600517	MCVEIL PLAN	128	128		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600519	LAIRD FARM	43	43		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600519	LAIRD FARM	70	70		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600520	ATLAS-CHARLEROI-C	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600520	ATLAS-CHARLEROI-C	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600528	VERNER #1	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600528	VERNER #1	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600530	Eighty Four	487	153		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600530	Eighty Four	799	250		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600535	SCENERY HILL WEST	81	81		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600535	SCENERY HILL WEST	132	132		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601046	Bethlehem Steel Moore	16	16		30		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601046	Bethlehem Steel Moore	26	26		30		10/01 - 03/31

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601143	MEADOWS	71	71		125		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601143	MEADOWS	116	116		125		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601144	MEADOWS	442			125		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601144	MEADOWS	725			125		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601273	BETHLEHEM CENTER	64	64		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601273	BETHLEHEM CENTER	105	105		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601275	BROWNSVILLE	27	27		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	601275	BROWNSVILLE	44	44		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602281	N A BATYKEFER-	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602281	N A BATYKEFER-	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602287		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602287		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602295		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602295		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602368	EASTERN DRILLING-	16	16		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602368	EASTERN DRILLING-	27	27		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602383	BURKLAND-SACKETT	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602383	BURKLAND-SACKETT	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602405	FORDYCE-WILSON	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602405	FORDYCE-WILSON	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602448		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602448		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602467	KEYSTONE GAS-	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602467	KEYSTONE GAS-	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602471	BURKLAND-ALICIA	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602471	BURKLAND-ALICIA	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602472	BURKLAND-HILLMAN	0					04/01 - 09/30

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602472	BURKLAND-HILLMAN	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602484	C R LOWSTUTER-	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602484	C R LOWSTUTER-	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602487		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602487		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602525	PEOPLES NATURAL-	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602525	PEOPLES NATURAL-	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602528	P & V BOEHM-HILLMAN	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602528	P & V BOEHM-HILLMAN	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602530	W L POTTS-BROWN	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602530	W L POTTS-BROWN	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602553		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602553		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602554		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602554		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602605		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	602605		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603020	IRWIN STORAGE	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603020	IRWIN STORAGE	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603037	ATLAS-ARDARA	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603037	ATLAS-ARDARA	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603124	OLIVER	7	7		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603124	OLIVER	12	12		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603286		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603286		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603295	HERCULES	714	122		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603295	HERCULES	1,170	200		75		10/01 - 03/31

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603296	CLAD METALS	69	51		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603296	CLAD METALS	113	83		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603311	Lone Pine School	9	9		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603311	Lone Pine School	15	15		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603323	CLEVELAND	45	45		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	603323	CLEVELAND	74	74		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604246	BLACKTOP PAVING	0			75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604246	BLACKTOP PAVING	0			75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604456	TOMISTIC MOTORS	7	7		125		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604456	TOMISTIC MOTORS	12	12		125		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604502	FORT CHEERY	62	62		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604502	FORT CHEERY	102	102		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604540	UNION CAMP CORP	188	31		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604540	UNION CAMP CORP	309	50		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604545		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604545		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604577		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604577		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604583	WESTLAND	81	81		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	604583	WESTLAND	132	132		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	605056	Domestic Taps CPA	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	605056	Domestic Taps CPA	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	616478	WM.L.POTTS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	616478	WM.L.POTTS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	617747		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	617747		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	617890	PEOPLES N	0					04/01 - 09/30

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	617890	PEOPLES N	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	617891	ATLAS-FILIPS WELL	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	617891	ATLAS-FILIPS WELL	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619517	ATLAS-DUFF WELL	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619688	MONACA	18,177	18,282		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619688	MONACA	29,798	29,971		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619849	ATLAS-SHANNON	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619849	ATLAS-SHANNON	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619856	ATLAS-PRODUCTION	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	619856	ATLAS-PRODUCTION	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	620184	CRESTMONT VILLAGE	205	205		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	620184	CRESTMONT VILLAGE	336	336		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	630212	KANE HEIGHTS	146	146		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	630212	KANE HEIGHTS	240	240		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	630310	UNION ELECTRIC	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	630310	UNION ELECTRIC	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	631896	DUNN	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	631896	DUNN	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	635710	CPA Redd Farm	3,177	3,050		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	635710	CPA Redd Farm	5,208	5,000		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645180	FOUR M	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645180	FOUR M	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645561	Charleroi Area School	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645561	Charleroi Area School	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645819	United Parcel Services	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645819	United Parcel Services	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645872	BETHLEHEM CENTER	0					04/01 - 09/30

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June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	645872	BETHLEHEM CENTER	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	646144		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	646144		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	648868	NORTH CENTRAL	4	1		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	648868	NORTH CENTRAL	6	1		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600183	TUNA CROSS ROADS	244	244		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600183	TUNA CROSS ROADS	400	400		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600184	DERRICK CITY	231	231		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600184	DERRICK CITY	379	379		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600185	RED ROCK	101	101		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600185	RED ROCK	165	165		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600186	LAFFERTY HOLLOW	1,484	1,484		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600186	LAFFERTY HOLLOW	2,432	2,432		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600187	CORWIN LANE	239	120		35		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600187	CORWIN LANE	392	196		35		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600188	LEWIS RUN	1,461	1,225		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600188	LEWIS RUN	2,396	2,008		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600189		0			150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600189		0			150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600279	SNOWSHOE CPA	12,200	8,954		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600279	SNOWSHOE CPA	20,000	11,400		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600283	CLYMER	592	592		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600283	CLYMER	970	970		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600462	DALLAS CITY	20	20		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600462	DALLAS CITY	32	32		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600616	KANDALL REFINING	13	7		20		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600616	KANDALL REFINING	22	11		20		10/01 - 03/31

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June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600637	Penn Hills Club	25	25		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600637	Penn Hills Club	41	41		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600646	TIMBUCK CLUB	10	10		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600646	TIMBUCK CLUB	17	17		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	601648	HEATER FUEL	1					04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	601648	HEATER FUEL	1					10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604394	STAR MFG CO	58	58		265		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604394	STAR MFG CO	95	95		265		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604399		1	1		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604399		2	2		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604420	HARMONY TWP	3	3		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604420	HARMONY TWP	5	5		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604745	Highland	31	31		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	604745	Highland	50	50		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	620746	MT ALTA	84	84		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	620746	MT ALTA	137	137		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400129	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400129	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400349	CPA PAY GAS	3,696					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400349	CPA PAY GAS	6,059					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400353	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400353	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400393	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400393	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400895	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400895	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	401013	CPA PAY GAS	0					04/01 - 09/30

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June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	401013	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	401037	CPA PAY GAS	0					04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	401037	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600191	HEATHVILLE	245	245		75		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600191	HEATHVILLE	402	402		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600192	WASH. & PENN NEW	309	309		60		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600192	WASH. & PENN NEW	506	506		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600193	NEW BETHLEHEM	353	275		80		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600193	NEW BETHLEHEM	579	451		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600197	WEST MONTERY	221	221		50		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600197	WEST MONTERY	362	362		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600198	CHURCH YARD	154	154		50		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600198	CHURCH YARD	252	252		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600199	FAIRVIEW CPA	2,503	2,350		100		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600199	FAIRVIEW CPA	4,103	3,853		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600287	MT SAVAGE REFR ST	0			60		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600287	MT SAVAGE REFR ST	0			60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600453	EMERICKVILLE	292	292		55		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600453	EMERICKVILLE	478	478		55		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600457	YOUNG RIMERSBURG	40	39		50		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600457	YOUNG RIMERSBURG	65	64		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600466	FAIRMONT.MT.SAVAG	118	118		60		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600466	FAIRMONT.MT.SAVAG	193	193		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600467	OAKRIDGE	63	63		60		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600467	OAKRIDGE	104	104		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600469	CLAIRION ROAD	97	96		5		04/01 - 08/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600469	CLAIRION ROAD	159	157		5		10/01 - 03/31

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June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600471	KOLLERSBURG ROAD	79	79		10		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600471	KOLLERSBURG ROAD	130	130		10		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600472	VAULT WORKS	78	77		10		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600472	VAULT WORKS	128	127		10		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600473	SEMAN S BETHLEHEM	80	35		10		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600473	SEMAN S BETHLEHEM	131	57		10		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600474	SINCLAIR S	124	124		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600474	SINCLAIR S	203	203		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600475	BLACKWELL N	46	35		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600475	BLACKWELL N	75	58		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600476	SMITH HAWTHRONE	98	98		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600476	SMITH HAWTHRONE	160	160		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600479	PLEASANT HILLS	146	146		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600479	PLEASANT HILLS	239	239		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600480	MAPLE GROVE	38	37		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600480	MAPLE GROVE	62	61		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600482	COTTAGE HILL NEW	58	58		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600482	COTTAGE HILL NEW	95	95		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600531	WEST SUNBURY	71	71		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600531	WEST SUNBURY	117	117		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600798	WILLARD GALLAGER	1	1		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600798	WILLARD GALLAGER	2	2		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600931	REDBANK VALLEY	82	82		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600931	REDBANK VALLEY	135	135		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600933	REDBANK VALLEY	13	13		60		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600933	REDBANK VALLEY	21	21		60		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600945	ROLA DIV TME MUTER	11	11		5		04/01 - 09/30

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June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600945	ROLA DIV TME MUTER	18	18		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600996	UNION JOINT SCHOOL	94	94		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	600996	UNION JOINT SCHOOL	154	154		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602280	F R BARTOE-CODY	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602280	F R BARTOE-CODY	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602476		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602476		0					10/01 - 3/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602539		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602539		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602598	R R WALKER-	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	602598	R R WALKER-	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	603484		20			50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	603484		33			50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	604008	REFINING KARNs CITY	0			100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	604008	REFINING KARNs CITY	0			100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	614054	PENNRECO KARNs	88	88		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	614054	PENNRECO KARNs	145	145		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	614594	DAVIS COOKIE	31	31		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	614594	DAVIS COOKIE	51	51		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	635704	CPA-KNOX/EMLENTON	3,366	2,021		110		04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	635704	CPA-KNOX/EMLENTON	5,518	3,313		110		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600202	ENON VALLEY	53	53		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600202	ENON VALLEY	87	87		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600203	WAMPUM WEST	377	377		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600203	WAMPUM WEST	618	618		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600205	CHEWTON VILLAGE	126	126		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600205	CHEWTON VILLAGE	206	206		200		10/01 - 03/31

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Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600206	CHEWTON	18,815	16,893		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600206	CHEWTON	30,844	27,694		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600208	NEW CASTLE ROAD	430	427		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600208	NEW CASTLE ROAD	705	700		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600210	ELLWOOD YARD	0			150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600210	ELLWOOD YARD	0			150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600281	NEW GALILEE	186	186		35		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600281	NEW GALILEE	305	305		35		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600289	GRIEF BROS. IND.	38	38		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600289	GRIEF BROS. IND.	62	62		160		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600460	BIRNESSER	57	57		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	600460	BIRNESSER	93	93		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	604062	NIXON FARM	7,496	5,361		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	604062	NIXON FARM	12,289	8,789		150		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	604247	DME CORP	183	37		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	604247	DME CORP	300	60		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	614465	PITTSBURGH TUBE	88	88		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	614465	PITTSBURGH TUBE	144	144		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	618370	SLIPPERY ROCK	1,574	1,098		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	618370	SLIPPERY ROCK	2,580	1,800		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	622718	SLIPPERY RK.DUAL	29	10		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	622718	SLIPPERY RK.DUAL	48	16		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	635238	INSUL COMPANY	92	92		10		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	635238	INSUL COMPANY	150	150		10		10/01 - 03/31
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	644118	YOST FARMS	90	90		35		04/01 - 09/30
June 1, 2012	March 31, 2020	25-39	COL GAS PA 08-39	644118	YOST FARMS	148	148		35		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600242	WATER ST	186	186		5		04/01 - 09/30

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June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600242	WATER ST	305	305		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600275	TET UNIONTOWN	7,154	7,154				04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600275	TET UNIONTOWN	11,728	11,728				10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600463	BARTON	24	24		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600463	BARTON	39	39		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600498	SPARTA	54	8		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600498	SPARTA	89	13		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600499	WAYNESBURG C S	40	40		25		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600499	WAYNESBURG C S	65	65		25		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600501		0			50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600501		0			50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600502	RODGERSVILLE	75	75		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600502	RODGERSVILLE	123	123		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600503	SUGAR RUN	71	71		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600503	SUGAR RUN	116	116		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600504	Liberty Ave.	56			5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600504	Liberty Ave.	92			5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600516	WINDRIDGE	67	67		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	600516	WINDRIDGE	110	110		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	601083	Curry Memorial Home	51	51		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	601083	Curry Memorial Home	84	84		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	601162	DEPARTMENT OF	31	13		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	601162	DEPARTMENT OF	50	21		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	601251	WEST GREEN SCHOOL	47	47		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	601251	WEST GREEN SCHOOL	77	77		5		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	618774	GRAYSVILLE	89	89		5		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	618774	GRAYSVILLE	146	146		5		10/01 - 03/31

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Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	634428	BURNSVILLE	30	30		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	634428	BURNSVILLE	49	49		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	634498	GREENE COUNTY	6	6				04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	634498	GREENE COUNTY	10	10				10/01 - 03/31
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	645236		0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-40	COL GAS PA 08-40	645236		0					10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	400345	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	400345	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	400347	CPA PAY GAS	546					04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	400347	CPA PAY GAS	895					10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	400357	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	400357	CPA PAY GAS	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600054	NORTH YORK	27,418	23,038		175		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600054	NORTH YORK	44,948	37,768		175		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600055	YORK ST	1,207	940		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600055	YORK ST	1,979	1,541		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600056	BALTIMORE STREET	761	604		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600056	BALTIMORE STREET	1,247	990		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600057	RIDGE AVE HANOVER	5,735	5,735		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600057	RIDGE AVE HANOVER	9,402	9,402		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600058	BECKMILL	5,717	5,717		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600058	BECKMILL	9,372	9,372		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600059	CPA	534	220		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600059	CPA	876	361		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600061	GLEN ROCK	2,018	2,018		75		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600061	GLEN ROCK	3,309	3,309		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600062	CPA Shrewsbury	2,304	2,304		75		04/01 - 09/30

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Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600062	CPA Shrewsbury	3,777	3,777		75		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600063	EMIGSVILLE	28,881	27,527		550		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600063	EMIGSVILLE	47,346	45,126		550		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600064	CPA ADMIRE	19,713	17,761		300		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600064	CPA ADMIRE	32,317	29,117		300		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600259	CPA - Oaks Farm	850	850		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600259	CPA - Oaks Farm	1,393	1,393		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600260	SHADY GROVE	1,135	1,135		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600260	SHADY GROVE	1,860	1,860		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600261	CPA-Nunnery	140	101		110		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600261	CPA-Nunnery	230	166		110		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600262	CPA Knepper	131	95		110		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600262	CPA Knepper	215	155		110		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600263	MONT ALTO	1,665	1,665		110		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600263	MONT ALTO	2,729	2,729		110		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600264	CPA-Cashtown	331	239		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600264	CPA-Cashtown	543	391		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600265	CPA-Fairfield	439	427		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600265	CPA-Fairfield	719	700		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600266	CPA-Arendtsville	224	224		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600266	CPA-Arendtsville	368	368		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600267	GETTYSBURG	6,443	5,650		165		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600267	GETTYSBURG	10,562	9,262		165		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600268	CPA - Two Taverns	394	333		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600268	CPA - Two Taverns	646	546		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600269	CPA-Gerrick Farm	2,106	1,813		90		10/1 - 3/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600269	CPA-Gerrick Farm	1,285	1,106		90		4/1 - 9/30

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Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600270	ABBOTTSTOWN	1,203	1,129		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600270	ABBOTTSTOWN	1,972	1,851		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600271	CPA East Berlin	348	348		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600271	CPA East Berlin	571	571		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600277	CROSS KEYS	5,800	4,749		200		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600277	CROSS KEYS	9,509	7,786		200		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600285	GAF	528	61		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600285	GAF	865	100		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600292	AMP AIRCRAFT	11	11		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600292	AMP AIRCRAFT	18	18		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600294	CORNING GLASS	248	244		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600294	CORNING GLASS	406	400		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600297	KNOUSE FOODS	216	43		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	600297	KNOUSE FOODS	354	71		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	601476	BLUE RIDGE PIPE &	31	31		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	601476	BLUE RIDGE PIPE &	51	51		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	601493	AMTRIM TWP SCHOOL	112	112		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	601493	AMTRIM TWP SCHOOL	183	183		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	601511	MONT ALTO	417	417		90		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	601511	MONT ALTO	684	684		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	603304	WESTINGHOUSE	271	271		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	603304	WESTINGHOUSE	444	444		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	603305	HEATER FUEL AT	3	3		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	603305	HEATER FUEL AT	5	5		50		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	603308	CPA-Mercersburg	774	732		140		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	603308	CPA-Mercersburg	1,269	1,200		140		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	604339	KNOUSE FOODS	49	10		90		04/01 - 09/30

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Primary Delivery Points

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	604339	KNOUSE FOODS	80	16		90		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614446	KNOUSE FOODS	311	62		100		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614446	KNOUSE FOODS	510	101		100		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614624	WAYNE HOFFMAN-	0			300		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614624	WAYNE HOFFMAN-	0			300		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614635	DALITE	239	239		450		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614635	DALITE	392	392		450		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614666	MET ED	4,252	850		620		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614666	MET ED	6,970	1,394		620		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614795	ROGER	0			110		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	614795	ROGER	0			110		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	618819	CPA Brown Farm	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	618819	CPA Brown Farm	0					10/01 - 03/31
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	635239	CPA-Tarco	137			100		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-25	COL GAS PA 04-25	635239	CPA-Tarco	225			100		10/01 - 03/31
June 1, 2012	March 31, 2020	25E-29	COL GAS PA 04-29	600293	CPA Lukens Steel	5,583	5,583		225		04/01 - 09/30
June 1, 2012	March 31, 2020	25E-29	COL GAS PA 04-29	600293	CPA Lukens Steel	9,152	9,152		225		10/01 - 03/31
June 1, 2012	March 31, 2020	C22	EAGLE-25	632170	EAGLE C.S. (74-	10,000	10,000				10/1 - 3/31
June 1, 2012	March 31, 2020	C22	EAGLE-25	632170	EAGLE C.S. (74-	6,100	6,100				4/1 - 9/30

Appendix A to Service Agreement No.

82610

Revision No. 5

Under Rate Schedule

SST

Between (Transporter)

Columbia Gas Transmission, LLC

and (Shipper)

Columbia Gas Of Pennsylvania, Inc.

1/ Application of MDDOs, DDQs and ADQs and/or minimum pressure and/or hourly flowrate shall be as follows:

FOOTNOTE

NUMBER

QUANTITY AGGREGATE AREA NAME

1 THIS STATION IS IN MARKET AREA, 25 LANCASTER, AND THE EASTERN MARKET AGGREGATE AREA

(400345; 400347; 400357; 600054; 600055; 600056; 600057; 600058; 600059; 600061; 600062; 600063; 600064; 600259; 600260; 600261; 600262; 600263; 600264; 600265; 600266; 600267; 600268; 600269; 600270; 600271; 600277; 600285; 600292; 600294; 600297; 601476; 601493; 601511; 603304; 603305; 603308; 604339; 614446; 614624; 614635; 614666; 614795; 635239; 632170)

2 THIS STATION IS IN MARKET AREA 26, BEDFORD, AND THE EASTERN MARKET AGGREGATE AREA

(400355; 600254; 600255; 600257; 600513; 601335; 635106)

3 THIS STATION (600293) IS IN MARKET AREA 29, DOWINGTOWN, AND THE EASTERN MARKET AGGREGATE AREA. THE MDDO AT THIS STATION WILL INCREASE BY 3,785 DTH/D TO 12,937 DTH/D UPON THE TERMINATION OF FTS AGREEMENT NO. 82811. AT SUCH TIME THE EASTERN MARKET AREA ADQ AND THE MDDO FOR THE SYSTEM DESIGN PURPOSES WILL ALSO BE INCREASED BY 3,785 DTH/D.

GFN1 UNLESS STATION SPECIFIC MDDO'S ARE SPECIFIED IN A SEPARATE FIRM SERVICE AGREEMENT BETWEEN SELLER AND BUYER, SELLER'S AGGREGATE MAXIMUM DAILY DELIVERY OBLIGATION, UNDER THIS AND ANY OTHER SERVICE AGREEMENT BETWEEN SELLER AND BUYER, AT THE STATIONS LISTED ABOVE SHALL NOT EXCEED THE MDDO QUANTITIES SET FORTH ABOVE FOR EACH STATION. IN ADDITION, SELLER SHALL NOT BE OBLIGATED ON ANY DAY TO DELIVER MORE THAN THE AGGREGATE DAILY QUANTITIES (ADQ) LISTED BELOW IN THE AGGREGATE AREAS LISTED BELOW. THE STATIONS FOOTNOTED ABOVE WITH THE NUMBERS (1) - (3) ARE IN THE AGGREGATE AREAS SET FORTH IN GREATER DETAIL BELOW. THE MARKET AREA IN WHICH EACH STATION IS LOCATED IS POSTED ON SELLER'S EBB AND INCORPORATED HEREIN BY REFERENCE. ANY STATION SPECIFIC MDDO'S IN A SEPARATE FIRM SERVICE AGREEMENT BETWEEN SELLER AND BUYER SHALL BE ADDITIVE BOTH TO THE INDIVIDUAL MDDO'S AND DDQ'S SET FORTH ABOVE AND TO ANY APPLICABLE AGGREGATE DAILY QUANTITY SET FORTH BELOW.

FOOTNOTE

NUMBER

QUANTITY AGGREGATE AREA NAME

AGGREGATE
DAILY QUANTITY

1 LANCASTER, MARKET AREA 25

185,036

1+2+3 ADQ FOR AGGREGATES AREA 1 THROUGH 3

211,909

Service pursuant to this Appendix A, Revision No. 5 shall be effective from June 1, 2012 through March 31, 2020 and will cancel and supersede the previous Appendix A to this Service Agreement, Revision No. 4, dated February 1, 2012. The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff is incorporated herein by reference for purposes of listing valid secondary receipt and delivery points.

 Yes X No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

 Yes X No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

 Yes X No (Check applicable blank) The MDDOs, ADQs, and/or DDQs set forth in Appendix A to Shipper's Service Agreement No. are incorporated herein by reference.

 Yes X No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4.2(j). Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.2(j).

 Yes X No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By Heather Bann

Title VP

Date 5/16/12

Approved as to form TMR 5/15/2012

COLUMBIA GAS TRANSMISSION, LLC

By William Miller

Title Contracts-Term head

Date 5-12-12

KB WM

SERVICE AGREEMENT NO. 82512
CONTROL NO. 2004-05-21-0012

FSS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of March, 2005 by and between:

Columbia Gas Transmission Corporation
("Transporter")
AND
Columbia Gas Of Pennsylvania, Inc.
("Shipper")

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FSS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Second Revised Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. Transporter shall store quantities of gas for Shipper up to but not exceeding Shipper's Storage Contract Quantity as specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission. Service hereunder shall be provided subject to the provisions of Part 284. 223 of Subpart G of the Commission's regulations. Shipper warrants that service hereunder is being provided on behalf of Shipper.

Section 2. Term. Service under this Agreement shall commence as of April 1, 2005, and shall continue in full force and effect until March 31, 2020. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish the Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: a) specified quantities (contract demand or commodity quantities); b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; c) quantities during specified time periods; d) quantities at specified points, locations, or other defined geographical areas; and e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported). In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sheets. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

SERVICE AGREEMENT NO. 82512
CONTROL NO. 2004-05-21-0012

FSS SERVICE AGREEMENT

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at Post Office Box 1273, Charleston, West Virginia 25325-1273, Attention: Manager – Customer Services and notices to Shipper shall be addressed to it at:

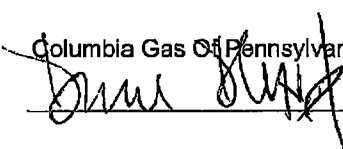
Columbia Gas Of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, OH 43215
ATTN: Scott Phelps

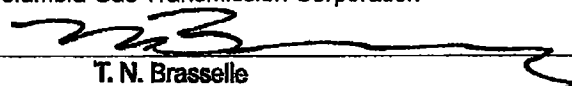
until changed by either party by written notice.

SERVICE AGREEMENT NO. 82512
CONTROL NO. 2004-05-21-0012

FSS SERVICE AGREEMENT

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: FSS 52988.

Columbia Gas Of Pennsylvania, Inc.
By: 
Name: _____
Title: Daniel D. Gavito
V.P. Energy Supply Services
Date: 3/24/05

Columbia Gas Transmission Corporation
By: 
Name: T. N. Brasselle
Title: MGR Customer Services
Date: MAR 30 2005

Revision No.
Control No. 2004-05-21-0012

Appendix A to Service Agreement No. 82512

Under Rate Schedule FSS
Between (Transporter) Columbia Gas Transmission Corporation
and (Shipper) Columbia Gas Of Pennsylvania, Inc.

Storage Contract Quantity 25,341,126 Dth

Maximum Daily Storage Quantity 456,876 Dth per day

CANCELLATION OF PREVIOUS APPENDIX A

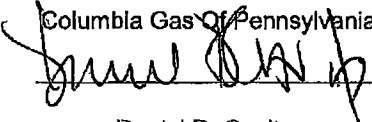
☐ Yes ☒ No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

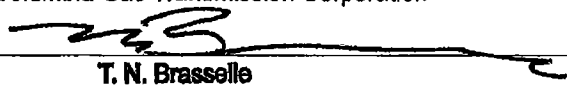
☐ Yes ☒ No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Service pursuant to this Appendix A, Revision No. shall be effective from April 1, 2005 through March 31, 2020.

☐ Yes ☒ No (Check applicable blank) This Appendix A, Revision No. 0 shall cancel and supersede the Previous Appendix A, Revision No. N/A effective as of N/A, to the Service Agreement referenced above.

With the exception of this Appendix A, Revision No. 0 all other terms and conditions of said Service Agreement shall remain in full force and effect.

Columbia Gas Of Pennsylvania, Inc.
By: 
Name: Daniel D. Gavito
Title: V.P. Energy Supply Services
Date: 3/24/05

Columbia Gas Transmission Corporation
By: 
Name: T. N. Brasselle
Title: MGR Customer Services
Date: MAR 30 2005

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 Ill. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

23. Describe costs relative to leasing equipment, computer rentals, and office space, including terms and conditions of the lease. State the method of calculating monthly or annual payments.

Response:

Description of Terms and Conditions

Columbia's lease agreements depicted on page 3 of this exhibit fall into the categories of office and service space rental, motor vehicle rental, general tools, and communication equipment. Because the terms vary by the nature and type of property leased, the following descriptions highlight typical conditions which may be found in lease agreements for that specific type of lease property. Of course, even within categories the specific terms and conditions are subject to variation from agreement to agreement.

Office and Service Space Rental

Each such agreement particularly describes the premises to be leased. Typically, the annual rental is due in equal monthly installments payable on the first day of the month. The lessee specifically agrees to use the demised premises for office and commercial purposes only without express written consent of the lessor to use the building for other purposes. It is the lessee's responsibility to pay all real estate taxes and assessments levied against the demised premises during the term of the lease. The lessee further agrees to purchase public liability insurance during the lease term. The assignment or subletting of the demised premises is subject to the written consent of the lessor, which consent is to be reasonably granted. The lessee agrees to indemnify the lessor against liability for damages including attorneys' fees occasioned by damage or losses to the lessee, its employees or third persons resulting from any causes except the negligence of the lessor. It is the responsibility of the lessor to maintain the roof and exterior structural walls and sewage system of the demised premises in good condition. It is the responsibility of the lessee to maintain the interior of the building, ordinary wear and tear excepted. The lessee is permitted to make improvements and alterations to the premises in a workmanlike manner, without impairing the structural soundness of the existing building or improvements. These lease agreements typically contain a covenant on the part of the lessor permitting the lessee the quiet enjoyment of the demised premises without disturbance during the lease term.

Motor Vehicle Leases/Licensed General Tool Lease

Columbia leases motor vehicles from Peterson, Howell, and Heather, Inc. (PHH) and Automotive Rentals Inc. (ARI). The lease term commences on the date each unit is physically delivered to lessee. Upon the expiration of the initial term, the lessee may renew the lease from month to month subject to termination upon 30 days written notice to the lessor. The rental payment is calculated on the basis of an equal monthly share of the base price over the life of the lease term plus a monthly lease service charge. Each unit is to be purchased at the best procurable market price, subject to the prior approval of the lessee. Upon surrender of a leased unit to the lessor, within 30 days the unit will be sold at the best price obtainable. If the sale price exceeds the unit's amortized value, lessee is entitled to the excess. If the sale price results in a deficiency below the amortized value, that deficiency is paid to the lessor by the lessee. Lessee is obligated to maintain and service each unit in good condition, ordinary wear and tear excepted.

Communication Equipment

Communication Equipment consists of radio site leases and dedicated telephone line rentals.

Columbia leases radio sites for the location of radio transmitting equipment. These site leases generally include the right to install an antenna on an existing structure (water tower, commercial radio tower, etc.) and either the right to install the actual transmitting equipment in an existing communications building or the right to erect a small radio transmitter building near the base of the structure.

Columbia rents dedicated telephone lines from NiSource Corporate Services and communication Lines S/T are leased from Columbia Network Services on a month to month basis.

Columbia Gas of Pennsylvania, Inc.
Rents and Leases
Twelve Months Ended November 30, 2014

Line No.	Cost Object	Type of Property	Annual Rental \$	Type of Lease	Method
		<u>Building Leases</u>			
1	B-251	Uniontown Pa M O D Site	37,990	5 Years	Per Lease Agreement
2	B-252	Bethel Park Pa Office	67,924	5 Years	Per Lease Agreement
3	B-255	Charleroi Pa Operation Center	37,164	5 Years	Per Lease Agreement
4	B-260	New Castle Pa M O D Site	83,504	5 Years	Per Lease Agreement
5	B-268	Canonsburg Pa Headquarters	814,499	Month-to-Month	Per Lease Agreement
6	B-269	Greencastle Pa Storage Facility	16,955	3 Years	Per Lease Agreement
7	B-270	Harrisburg Pa Office	15,771	3 Years	Per Lease Agreement
8	B-271	Neville Island Pa M O D Site	44,400	3 Years	Per Lease Agreement
9	B-275	Washington Pa Operating Center	9,752	3 Years	Per Lease Agreement
10	B-276	Greensburg Pa Weld Shop	29,191	10 Years	Per Lease Agreement
11	B-277	Somerset Pa M O D Site	33,000	3 Years	Per Lease Agreement
12	B-266	Alpine Point Office, Bridgeville, Pa	465,179	2 Years	Per Lease Agreement
13		Subtotal Annual Building Lease Rental	1,655,328		
14		Property Taxes	42,171		
15		Property Taxes and Insurance for Lease B-266	51,798		
16		Total Building Property Taxes and Insurance	93,969		
17		Total Building Leases	1,749,297		
18		Autos & General Tools	3,900,000 (Est)	50 to 72 Months	Rental Per Unit
		<u>Other</u>			
19		Communications Equipment and Lines	73,953	Month-to-Month	Various
20		Communication Lines S/T	5,472	Month-to-Month	Various
21		Office Machines and Furniture	14,395	Various	Various
22		Dedicated Telephone Lines	325,080	Month-to-Month	Various
23		Other	261,759	Various	Various
24		Total Leases	6,329,956		

Exhibit No. 4
Schedule No. 13
Page 1 of 1
Witness: K. K. Miller

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 Ill. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

24. Submit detailed calculations (or best estimates) of the cost resulting from major storm damage.

Response:

There were no costs resulting from major storm damage charged to operation and maintenance expense in the test year.

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 Ill. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

27. Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.

Response: See page 2 of 5.

28. Submit a schedule showing, by major components, the expenditures associated with Outside Services Employed, Regulatory Commission Expenses and Miscellaneous General Expense, for the test year and prior two comparable years.

Response: See pages 3, 4, and 5 of 5.

31. Provide a detailed analysis of Special Services - Account 795.

Response: The System of Accounts does not include Account 795 as Special Services.

32. Provide a detailed analysis of Miscellaneous General Expense - Account 801

Response: The System of Accounts does not include Account 801 as Miscellaneous General Expense; see Exhibit No. 4, Schedule No. 14, page 5 of 5, for an Analysis of Account 93020000 – Miscellaneous General Expense.

COLUMBIA GAS OF PENNSYLVANIA, INC.
SOCIAL AND SERVICE CLUB ORGANIZATIONS
BOOKED TO VARIOUS O&M ACCOUNTS
TWELVE MONTHS ENDED NOVEMBER 30, 2014

<u>Line No.</u>	<u>Cost Element</u>	<u>Description</u>	<u>Amount</u> \$
1	3502	Fayette Chamber of Commerce - 2/2014 - 2/2015 Membership Dues	496
2	3502	Westmoreland Chamber of Commerce - 2014 Membership Dues	315
3	3502	Pennsylvania Association for Government Relation - 2014 Membership Dues	155
4	3502	Pennsylvania Business Council - 2014 Membership Dues	7,467
5	3502	NACE International - 2014 Membership Dues	1,746
6	3502	Miscellaneous 2014 Membership Dues	394
7	3502	Total Social and Service Club Organizations	<u>10,574</u>

COLUMBIA GAS OF PENNSYLVANIA, INC.
ACCOUNT 92300000 - OUTSIDE SERVICES EMPLOYED
ACCOUNT 92301000 - NCSC COSTS
ACCOUNT 92301100 - NCSC COSTS TRANSFERS
TWELVE MONTHS ENDED NOVEMBER 30, 2014, 2013, 2012

Line No.	Cost Element	Description	11/30/14 \$	11/30/13 \$	11/30/12 \$
1	1003	Labor - Regular Pay - Productive	29,126	0	0
2	1007	Labor - Non Productive	(4,871)	0	0
3	2017	Materials & Supplies - General	57,279	0	0
4	3000	Consultant Expenses	1,599,344	1,275,132	592,360
5	3000	Short Term Temporary Employees	0	3,044	3,765
6	3000	Conservation Consultants Admin. Cost	0	2,916	0
7	3001	Community Support	7,303	0	0
8	3002	Regulatory Legal Expenses	120,838	314,979	204,237
9	3003	Financial Statement Review	432,208	671,118	513,528
10	3003	FASB Issues	0	727	0
11	3003	Special Study	0	5,963	22,570
12	3004	R&D Contract Services	0	0	165,000
13	3007	Medical Examinations	0	575	6,030
14	3007	Drivers D. O. T. Physical Examinations	0	2,509	2,865
15	3007	Drug Testing	35,632	19,806	14,135
16	3008	Printing	5,557	9,395	22,770
17	3011	Short Term Temporary Employees	74,549	56,299	90,973
18	3011	Seasonal Temporary Employees	0	1,948	128
19	3011	Contract Employee Services	0	11,507	11,462
20	3012	Building and Property Security	758	418	508
21	3014	Environmental Haz/Spe Waste Disposal	(227)	(5,838)	(2,610)
22	3015	Customer Satisfaction Tracking	0	9,248	9,248
23	3015	Customer Service	0	106,218	0
24	3015	Economic Forecasting Service	0	2,942	0
25	3015	Employee Training	0	9,826	70
26	3015	Employee Advertising	0	14,722	18,170
27	3015	Employee Consultants	0	27,650	140
28	3015	Graphic Design	0	2,984	2,959
29	3015	Literature Distribution	0	31,265	85,602
30	3015	New Monitoring	0	0	0
31	3015	File, Video and Audio Services	0	106	1,939
32	3015	Programs & Promotions	0	73,344	0
33	3015	Material Handling Services	0	537	0
34	3015	Lease (Common Area Maintenance)	0	47,481	0
35	3015	External Computing Services	0	0	19,076
36	3015	Other Outside Services	952,284	0	0
37	3016	Operations (Lawn Care, Snow, Etc.)	0	4,316	15,316
38	3016	Maintenance	0	820	931
39	3016	Office Machines Maintenance Agreements	0	0	626
40	3016	Other Maintenance Services	12,023	0	0
41	3018	Courier Services (UPS, FedEx, Etc.)	1,403	1,797	1,289
42	3019	Telecommunication Equipment Repair	8,218	0	(8,218)
43	3021	Environmental Health & Safety Services	90	0	0
44	3077	CheckFree Service Charge	35	0	0
45	3081	CAP Administration Costs	381,213	181,920	283,225
46	3082	CAP Initial Application	489,215	158,232	107,153
47	3082	CAP Reverification	0	0	3,060
48	3083	CAP Education	22,010	31,547	5,155
49	3084	Weatherization/RCS Expenses	21,622	30,550	76,314
50	3100	Business Expenses	455	0	0
51	3102	Meals (Meetings & Entertainment)	0	24	0
52	3300	Amortization Charges	434,679	181,116	0
53	3503	PAC/Lobbying	25,440	0	0
54	3600	Fees, License, Permits	80	0	0
55	3601	Postage & Postage Fees	30,574	0	0
56	3638	Other Expenses - General	(50,558)	(67,378)	12,483
57	3654	Deferred Charges	(604,122)	(220,340)	(240,003)
58	4522	Salvage Other	(1,992)	0	0
59	5001	Repair of Furnishings	(2,856)	0	150
60	5010	Building Maintenance	2,067	0	0
61	7001	NSCS Costs	40,174,192	37,423,160	34,536,074
62	7033	NCSC Costs Transfers	(2,614,679)	(6,289,295)	(4,815,862)
63		Total Account 923 Outside Services Employed	<u>41,638,889</u>	<u>34,133,290</u>	<u>31,762,617</u>

COLUMBIA GAS OF PENNSYLVANIA, INC.
ACCOUNT 92800000 - REGULATORY COMMISSION EXPENSE
TWELVE MONTHS ENDED NOVEMBER 30, 2014, 2013, 2012

<u>Line</u> <u>No.</u>	<u>Cost</u> <u>Element</u>	<u>Description</u>	<u>11/30/14</u> \$	<u>11/30/13</u> \$	<u>11/30/12</u> \$
1	3608	PUC Maintenance Fee	1,547,381	1,359,844	1,270,152
2	3609	Consumer Advocate Fee	173,314	188,579	203,329
3	3609	Small Business Advocate	<u>46,740</u>	<u>46,400</u>	<u>30,953</u>
4		Total Account 928	<u><u>1,767,435</u></u>	<u><u>1,594,824</u></u>	<u><u>1,504,434</u></u>

COLUMBIA GAS OF PENNSYLVANIA, INC.
ACCOUNT 93010000 ADVERTISING EXPENSE - ACCOUNT 93020000 MISCELLANEOUS GENERAL EXPENSE
TWELVE MONTHS ENDED NOVEMBER 30, 2014, 2013, 2012

Line No.	Cost Element	Description	11/30/14 \$	11/30/13 \$	11/30/12 \$
1	3015	Research & Development Contract Services	207,674	197,000	0
2	3501	Industry Associations	145,557	125,722	149,287
3	3001	Safety Advertising	0	250	0
4	3001	Community Support	274,219	153,990	164,511
5	3001	Advertising	0	14,537	0
6	2004	Material & Supplies - Freight	84	0	0
7	3100	Employee Expenses - Business Expenses	3	0	0
8	3600	Misc. & Other Expenses - Fees, Licenses, Permits	100	0	0
9	3925	Misc. & Other Expenses - Water & Sewage Bills	163	0	0
10	Total Account 93010000 Advertising & 93020000 Miscellaneous General Expense		<u>627,799</u>	<u>491,499</u>	<u>313,798</u>

Exhibit No. 4
Schedule No. 15
Page 1 of 1
Witness: K. K. Miller

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

30. Provide a detailed schedule of all charitable and civic contributions by recipient and amount for the test year.

Response:

Please see Attachment A pages 1 through 5.

The Charitable Contributions detailed on Page 1 and the Civic Contributions detailed on Pages 2, 3, 4, and 5 are not included in the cost of service claim in this case.

Line No.	Description	Amount
		\$
	<u>CHARITABLE ORGANIZATIONS</u>	
1	York County Sherriff's Office - Donation to K9 Unity for York Safety Days	100.00
2	Zac Sweitzer Memorial Fund - Participation in York Safety Days	<u>100.00</u>
3	Total Charitable Organizations (Removed from Rate Claim - See Exhibit No. 4, Schedule No. 1)	<u><u>200.00</u></u>

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$
	<u>CIVIC CONTRIBUTIONS</u>	
1	Adams County Arts Council - 2014 New Years Eve Program	3,000.00
2	Adams County Arts Council	3,000.00
3	Adamsburg and Community Volunteer Fire Department	100.00
4	Advantage Credit Counseling	50,000.00
5	AES Western MD Management Co	400.00
6	AIA Pittsburgh	3,250.00
7	Allegheny County United Way	3,000.00
8	Allegheny Conference on Community Development	56,100.00
9	Ambridge Volunteer Fire Department	500.00
10	Amen Corner - Awards Dinner	500.00
11	American Cancer Society - Relay for Life	1,000.00
12	American Cancer Society - Charters & Houston Relay	250.00
13	American Red Cross	1,500.00
14	American Red Cross SWPA	5,000.00
15	ARC of Washington County Inc	500.00
16	Avalon Volunteer Fire Co	500.00
17	Baden Volunteer Fire Department	500.00
18	Beaver Volunteer Fire Department - 13th Annual 5K/10K Race	500.00
19	Big Bobs BBQ	250.00
20	Big Brothers Big Sisters of the Alleghenies	500.00
21	Big Brothers Big Sisters of the Alleghenies	500.00
22	Big Knob Volunteer Fire Department	500.00
23	Black History Month - Darin Mercy Speaker	250.00
24	Borough of Castle Shannon - Community Days	200.00
25	Boys & Girls Club Along the Allegheny - Bowl for Kids Sake	500.00
26	Bradford Area Public Library	100.00
27	Bradford Township Volunteer Fire Department	500.00
28	Canton Twp Volunteer Fire Company & Rescue	500.00
29	Cecil Township Volunteer Fire Department	500.00
30	Cecil Township Volunteer Fire Department	500.00
31	Center Township Volunteer Fire Department	500.00
32	Central Pa Convention and Victors Guide	601.00
33	TCP Challenge Program Inc	14,000.00
34	Child Health Association of Sewickley - House Tour	3,600.00
35	Church of Genesis	500.00
36	City of Warren Police Department Law Enforcement Explorer Post	1,000.00
37	Clearwater Conservancy of Central Pennsylvania	1,450.00
38	Clintonville Volunteer Fire Department	500.00
39	Coal Country Traditions Inc	200.00
40	Community Foundation of Upper St Clair - Celebrate Our Schools Gala	500.00
41	Conservation Consultants Inc	1,000.00
42	Coraopolis Volunteer Fire Department	500.00
43	Cray Youth and Family Services Inc	500.00
44	Crisis Shelter Lawrence County - Annual Auction	320.00
45	Cultural Alliance of York City	6,250.00
46	Cumberland Allegany County Industrial	1,000.00
47	Derrick City Volunteer Fire Department	500.00
48	Dollar Energy Fund Inc. - Hardship Fund Program	150,000.00
49	Dollar Energy Fund Inc. - Hardship Fund Program	25,000.00

Line No.	Description	Amount \$
	<u>CIVIC CONTRIBUTIONS</u>	
50	Dollar Energy Fund Inc. - Warmathon Sponsorship	25,000.00
51	Donora Volunteer Fire Department	500.00
52	Donora Volunteer Fire Department - Sensit Meter Project	400.00
53	Donora Volunteer Fire Department - Sensit Meter Project	400.00
54	East Bethlehem Volunteer Fire Company	500.00
55	East Bethlehem Volunteer Fire Company	500.00
56	Elizabeth Seton Center Inc	50.00
57	Emlenton Volunteer Fire Department	500.00
58	Emsworth Volunteer Fire Company Inc	500.00
59	Epilepsy Foundation Western Central Pennsylvania	600.00
60	Evans City Area Volunteer Fire Department	500.00
61	Evans City Area Volunteer Fire Department	500.00
62	Evergreen Fire Company	500.00
63	Experience Inc	100.00
64	Fair Oaks Volunteer Fire Department	500.00
65	Fair Oaks Volunteer Fire Department	500.00
66	Fairview Volunteer Fire Department	500.00
67	Fontanfest	500.00
68	Forest Grove Volunteer Fire Department	500.00
69	Friends of the Canonsburg Town Park	100.00
70	Gallatin Sunnyside Volunteer Fire Company	500.00
71	Gettysburg Battlefield Preservation Association	1,000.00
72	Greater Pittsburgh Community Food Bank	3,500.00
73	Greene County Department of Recreation	500.00
74	Greenlee Partners LLC	750.00
75	Hagerstown Washington county	1,010.00
76	Hanover Volunteer Fire Department	500.00
77	Harrisville Volunteer Fire Department	500.00
78	Hempfield Township - Community Days	1,000.00
79	Hilltop Economic Development Corp - Law Enforcement Tech Project	4,000.00
80	Howard Hanna Children's Free Care Fundraiser	500.00
81	Imperial Volunteer Fire Department	500.00
82	Ingomar Volunteer Fire Company No 2	500.00
83	J AND J Enterprises Inc	100.00
84	Junior Achievement - Bowl a Thon	720.00
85	Keating Fire Company of Ross Township	500.00
86	Kennedy Township Independent Volunteer Fire Department	500.00
87	Keystone Pa Press Club - 2014 Sponsorship	1,500.00
88	Koppel Volunteer Fire Company	500.00
89	Main Street Gettysburg Inc	4,000.00
90	Marshall Township Volunteer Fire Department	500.00
91	Maryland Humanities Council	1,200.00
92	McGuire Memorial Foundation	1,000.00
93	McKee's Rocks Independent Fire Department	500.00
94	McMurray Rotary Club	500.00
95	Maryland DC Utilities Association	500.00
96	Meyersdale Volunteer Fire Department	100.00
97	Morris Township Volunteer Fire Department	500.00
98	Mountain Maryland PACE & Gold Sponsorship	1,000.00

Line No.	Description	Amount \$
	<u>CIVIC CONTRIBUTIONS</u>	
99	Municipality of Bethel Park	1,000.00
100	New Brighton Area Police Department	500.00
101	New Brighton Police Department	500.00
102	New Castle Playhouse	500.00
103	New Castle Rotary Club	250.00
104	North Hills Response Silver Team Inc	500.00
105	Ohio State University Hospital	1,000.00
106	Ohio Township Volunteer Fire Company	500.00
107	Oil Region Alliance of Business, Industry & Tourism	500.00
108	Option Independent Fire Company	500.00
109	Pa Council of Feeding America	5,000.00
110	Peebles Volunteer Fire Company	500.00
111	Penn Soil RC&D COUNCIL - Warren County Winter fest	500.00
112	Penn Soil Resource & Conservation - Warren County Winter fest	2,500.00
113	Pennsylvania Chamber of Business & Industry - 30th Annual Chamber Dinner	13,500.00
114	Pennsylvania FFA Foundation - Sponsorship of the FFA Leadership Conference	7,500.00
115	Peters Twp Parks & Recreation - Summer Concert Series	250.00
116	Pine Run Volunteer Fire Department	500.00
117	Pitt Hockey	600.00
118	Pittsburgh Airport Area	2,000.00
119	Pittsburgh Airport Area	600.00
120	Pittsburgh Airport Area	250.00
121	Pittsburgh Predators Hockey Club	500.00
122	Pittsburgh Promise	400.00
123	Pittsburgh Region Clean Cities Inc	500.00
124	Pittsburgh Technical Institute - Energy Education Scholarship	5,000.00
125	Pleasant Hills Borough	750.00
126	Rabbit transit	3,000.00
127	Robinson Township Volunteer Fire Company #1	500.00
128	Ronald McDonald House Charities	100.00
129	Somerset Volunteer Fire Department	500.00
130	Special Olympics Inc - Polar Plunge	1,000.00
131	Sturgeon Volunteer Fire Department	500.00
132	T & P Party Supply - Kids Extravaganza	100.00
133	The Bradford House	5,000.00
134	Tuscarora Area Chamber of Commerce	700.00
135	United Way of Washington County	660.00
136	United Way of Washington County	400.00
137	United Way of Westmoreland County - Purchase of Gas Grill	498.00
138	United Way of York County	5,000.00
139	United Way of Washington County	180.00
140	Upper St Clair Fire Department	500.00
141	Reclass to Account 426	7,812.50
142	Volunteer Fire Company of Mt Lebanon Inc	500.00
143	Washington Hospital Foundation	100.00
144	We Wish Inc	500.00
145	Wesley Spectrum	525.00
146	Western Maryland Health System	500.00
147	Woodard Orchard	135.00

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$
	<u>CIVIC CONTRIBUTIONS</u>	
148	Woodard Orchard	135.00
149	York Area United Fire & Rescue	1,000.00
150	York County Literacy Council - Buck a Book Reading Program	<u>5,000.00</u>
151	Total Civic Contributions (Recorded in Account 426, not included in rate claim)	<u><u>485,296.50</u></u>

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

34. List and explain all non-recurring, abnormal or extraordinary expenses incurred in the test year which will not be present in future years.

Response: Material non-Recurring abnormal or extraordinary expenses incurred in the test year are recorded as Miscellaneous Deductions and reflected "below the line" in the caption Other Income.

35. List and explain all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years. (e.g. - Non-yearly maintenance programs, etc.)

Response: See Exhibit No. 4, Schedule No. 2 for detail of expense adjustments.

36. Using the adjusted year's expenses under present rates as a base, give detail necessary for clarification of all expense adjustments. Give clarifying detail for any such adjustments that occur due to changes in accounting procedure, such as charging a particular expense to a different account than was used previously. Explain any extraordinary declines in expense due to such change of account use.

Response: See Exhibit No. 4, Schedule No. 2 for detail of expense adjustments.

37. Indicate the expenses that are recorded in the test year, which are due to the placement in operating service of major plant additions or the removal of major plant from operating service, and estimate the expense that will be incurred on a full-year's operation.

Response: No expenses were recorded on the books of Columbia related to placement of major plant additions in or removal of major plant additions to/from operating service other than Columbia's continuation of its accelerated investment in cast iron and unprotected steel mains replacement.

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

38. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures.

Response:

Since the previous rate case, there have been no major changes in accounting procedure. No major changes in accounting procedure are anticipated in the foreseeable future.

Exhibit No. 4
Schedule No. 17
Page 1 of 2
Witness: K.K. Miller

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

29. Provide intrastate operations percentages by expense categories for two years prior to the test year.

Response: See Page 2.

COLUMBIA GAS OF PENNSYLVANIA, INC.
OPERATION PERCENTAGE BY EXPENSE CATEGORIES
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2014, 2013 AND 2012

Line No.		November 30, 2014		November 30, 2013		November 30, 2012	
		Amount \$	Percent %	Amount \$	Percent %	Amount \$	Percent %
	GAS PURCHASED EXPENSE						
1	401200 Operation	<u>244,008,391</u>	100.00%	<u>239,845,542</u>	100.00%	<u>184,175,648</u>	100.00%
	OTHER GAS SUPPLY EXPENSES						
2	401200 Operation	873,279	0.55%	1,344,203	1.03%	1,354,025	1.06%
	UNDERGROUND STORAGE						
3	401200 Operation	434,085	0.27%	381,610	0.29%	197,246	0.15%
4	402200 Maintenance	<u>29,325</u>	<u>0.02%</u>	<u>61,716</u>	<u>0.05%</u>	<u>33,863</u>	<u>0.03%</u>
5	Total	<u>463,409</u>	<u>0.29%</u>	<u>443,326</u>	<u>0.34%</u>	<u>231,109</u>	<u>0.18%</u>
	DISTRIBUTION						
6	401200 Operation	27,705,518	17.55%	31,177,367	23.92%	26,314,112	20.62%
7	402200 Maintenance	<u>26,382,730</u>	<u>16.71%</u>	<u>16,054,303</u>	<u>12.32%</u>	<u>14,715,132</u>	<u>11.53%</u>
8	Total	<u>54,088,248</u>	<u>34.26%</u>	<u>47,231,670</u>	<u>36.23%</u>	<u>41,029,244</u>	<u>32.15%</u>
	CUSTOMER ACCOUNTS						
9	401200 Operation	32,570,684	20.63%	25,006,960	19.18%	23,893,582	18.73%
	CUSTOMER SERVICE & INFORMATION						
10	401200 Operation	9,121,558	5.78%	6,439,801	4.94%	4,669,481	3.66%
	SALES PROMOTION						
11	401200 Operation	617,197	0.39%	674,134	0.52%	668,948	0.52%
	ADMIN. & GENERAL						
12	401200 Operation	<u>60,125,214</u>	38.09%	<u>49,208,356</u>	37.75%	<u>55,752,818</u>	43.69%
13	Subtotal (Lines 2+5+8+9+10+11+12)	157,859,589	100.00%	130,348,450	100.00%	127,599,207	100.00%
14	Total Operation and Maintenance Expenses (Lines 1+13)	<u><u>401,867,980</u></u>		<u><u>370,193,992</u></u>		<u><u>311,774,855</u></u>	

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

33. Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows:
- (i) Gas Production Maintenance Expenses per Mcf production, per \$1,000 Mcf production, and per \$1,000 of Gross Production Plant;
 - (ii) Transmission Maintenance Expenses per Mmcf mile and per \$1,000 of Gross Transmission Plant;
 - (iii) Distribution Maintenance Expenses per customer and per \$1,000 of Gross Distribution Plant;
 - (iv) Storage Maintenance Expenses per Mmcf of Storage Capacity and per \$1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.

Response: See Page 2.

COLUMBIA GAS OF PENNSYLVANIA, INC.
SCHEDULE OF MAINTENANCE EXPENSES AND GROSS PLANT
NOVEMBER 30, 2014, 2013, 2012 & 2011

		12 Months Ended			
		<u>11/30/14</u>	<u>11/30/13</u>	<u>11/30/12</u>	<u>11/30/11</u>
		\$	\$	\$	\$
I.	Gas Production Maintenance Expenses	0	0	0	0
	Gross Production Plant	0	0	0	0
	Per Mcf Production	0	0	0	0
	Per \$1,000 Mcf Production	0	0	0	0
	Per \$1,000 of Gross Production Plant	0	0	0	0
II	Transmission Maintenance Expenses	0	0	0	0
	Gross Transmission Plant	0	0	0	0
	Per Mmcf mile	0	0	0	0
	Per \$1,000 of Gross Transmission Plant	0	0	0	0
III	Distribution Maintenance Expenses	17,589,026	16,054,303	14,715,132	14,195,649
	Gross Distribution Plant	1,549,532,523	1,371,529,346	1,220,660,914	1,087,938,724
	Customers	418,450	416,110	414,180	414,788
	Per Customer	42.03	38.58	35.53	34.22
	Per \$1,000 of Gross Distribution Plant	11.35	11.71	12.06	13.05
IV.	Storage Maintenance Expenses	<u>1/</u> 29,325	61,716	33,863	17,295
	Gross Storage Plant	<u>1/</u> 5,785,138	4,775,396	3,886,226	3,808,000
	Mmcf of Storage Capacity	30	30	30	30
	Per Mmcf of Storage Capacity	977	2,057	1,129	577
	Per \$1,000 of Gross Storage Plant	5.07	12.92	8.71	4.54

1/ Columbia Gas of Pennsylvania does not forecast the data indicated above beyond the historic test year in the manner requested.

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

34. Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts).
- a. Column 1 - Test Year
 - b. Column 2 and 3 - The two previous years.

Provide the annual recorded expenses by accounts.

Response: See Pages 2 through 7 for a schedule of Operating and Maintenance Expenses for the Twelve Months Ended November 2014, 2013, 2012.

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2014, 2013 AND 2012

	TME <u>Nov. 14</u> \$	TME <u>Nov. 13</u> \$	TME <u>Nov. 12</u> \$
GAS PURCHASED EXPENSE			
401200 Operation	244,008,391	239,845,542	184,175,648
402200 Maintenance	0	0	0
Total	<u>244,008,391</u>	<u>239,845,542</u>	<u>184,175,648</u>
OTHER GAS SUPPLY EXPENSES			
401200 Operation	873,279	1,344,203	1,354,025
402200 Maintenance	0	0	0
Total	<u>873,279</u>	<u>1,344,203</u>	<u>1,354,025</u>
UNDERGROUND STORAGE			
401300 Operation	434,085	381,610	197,246
402300 Maintenance	29,325	61,716	33,863
Total	<u>463,409</u>	<u>443,326</u>	<u>231,109</u>
DISTRIBUTION			
401400 Operation	27,705,518	26,337,694	22,553,430
402400 Maintenance	26,202,300	20,893,976	18,475,814
Total	<u>53,907,818</u>	<u>47,231,670</u>	<u>41,029,244</u>
CUSTOMERS ACCOUNTS			
401400 Operation	32,570,684	25,002,918	23,888,568
402400 Maintenance	0	0	0
Total	<u>32,570,684</u>	<u>25,002,918</u>	<u>23,888,568</u>
CUSTOMERS SERVICE & INFORMATION			
401400 Operation	9,121,558	6,430,835	4,658,535
402400 Maintenance	0	0	0
Total	<u>9,121,558</u>	<u>6,430,835</u>	<u>4,658,535</u>
SALES			
401400 Operation	617,197	674,134	668,948
402400 Maintenance	0	0	0
Total	<u>617,197</u>	<u>674,134</u>	<u>668,948</u>
ADMINISTRATIVE & GENERAL			
401400 Operation	60,125,214	49,221,364	55,768,778
402400 Maintenance	180,430	0	0
Total	<u>60,305,643</u>	<u>49,221,364</u>	<u>55,768,778</u>
GRAND TOTAL O&M	401,867,980	370,193,992	311,774,855

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2014, 2013 AND 2012

<u>ACCT NO.</u>	<u>OTHER GAS SUPPLY</u>		<u>TME Nov. 14</u> \$	<u>TME Nov. 13</u> \$	<u>TME Nov. 12</u> \$
401300 OPERATION					
807	Other Purchased Gas Expense	*	878,461	1,369,000	1,438,865
807	Other Purchased Gas Expense - Brokerage Fees	*	(5,182)	(24,797)	(84,840)
	TOTAL OTHER GAS SUPPLY EXPENSE		<u>873,279</u>	<u>1,344,203</u>	<u>1,354,025</u>
401999 PURCHASED GAS SOLD					
801	Natural Gas Field Line Purchases		622,458	627,772	498,077
803	Natural Gas Transmission Line Purchases		240,202,108	237,583,097	160,948,851
804	Natural Gas City Gate Purchases		23,558,425	22,412,942	16,520,343
805	Other Gas Purchases		(1,384,066)	11,202,864	(31,282,688)
806	Exchange Gas		(16,352,326)	(5,370,346)	2,429,564
807	Other Purchased Gas Expense - Brokerage Fees	*	5,182	24,797	84,840
808.1	Gas Withheld From Storage Dr		101,786,922	80,058,340	91,405,127
808.2	Gas Delivered To From Storage Cr		(104,007,776)	(106,330,731)	(56,107,305)
812	Gas Used for Other Utility Oper.		(422,985)	(363,193)	(380,797)
813	Exchange Fees		<u>450</u>	<u>0</u>	<u>59,636</u>
	TOTAL PURCHASED GAS SOLD		<u>244,008,392</u>	<u>239,845,542</u>	<u>184,175,648</u>

* Account 807 Other Purchased Gas Expense is captured in both Other Gas Supply Expense and Purchased Gas Sold.

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2014, 2013 AND 2012

ACCT NO.	UNDERGROUND STORAGE	TME Nov. 14 \$	TME Nov. 13 \$	TME Nov. 12 \$
401400 OPERATION				
816	Well Expenses	2,514	5,052	8,285
817	Line Expenses	7,926	12,527	26,131
818	Compressor St Exp	396,959	328,009	139,114
819	Compressor St Fuel & Power	0	0	0
820	Meas & Regulator Exp	10,673	22,550	11,993
821	Purification	6,263	4,111	2,591
823	Gas Losses	3,775	3,385	3,156
825	Storage Well Royalties	5,976	5,976	5,976
	TOTAL OPERATION	434,086	381,610	197,246
402400 MAINTENANCE				
832	Maintenance Reservoirs & Wells	10,156	12,263	5,020
834	Compressor Station Equipment	10,321	19,688	10,482
836	Purification Equipment	8,848	29,765	18,361
	TOTAL MAINTENANCE	29,325	61,716	33,863
	TOTAL STORAGE	463,411	443,326	231,109

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2014, 2013 AND 2012

ACCT NO.	DISTRIBUTION	TME Nov. 14 \$	TME Nov. 13 \$	TME Nov. 12 \$
401600 OPERATION				
852	Communication System Exp Scada	3,163	0	0
871	Distribution Load Dispatching	254,116	159,607	116,852
874	Mains & Services Expenses	13,212,408	12,477,823	9,782,909
875	Meas. & Reg. Station Expense-General	551,207	629,135	597,132
876	Meas. & Reg. Station Expense-Industrial	237,568	230,796	249,824
878	Meter & House Regulators Expense	2,157,540	2,121,735	2,252,351
879	Customer Installation Expense	4,873,678	4,637,354	4,565,561
880	Other Expense	6,140,978	5,801,069	4,753,650
881	Rents	274,859	280,175	235,151
	TOTAL OPERATION	27,705,517	26,337,694	22,553,430
402600 MAINTENANCE				
870	Operation Supervision & Engineering	8,613,274	4,839,673	3,760,682
885	Maintenance Supervision & Engineering	76,624	75,557	51,787
886	Maintenance of Structures & Improvements	32,483	36,009	59,569
887	Maintenance of Mains	14,422,440	12,136,396	10,338,735
889	Maint. of Meas. & Reg Station Equipment-General	453,590	498,234	503,854
890	Maint. of Meas. & Reg Station Equipment-Industrial	162,986	131,010	145,126
892	Maintenance of Services	1,291,465	2,039,674	2,529,487
893	Maintenance of Meter & House Regulators	223,820	257,518	245,206
894	Maintenance of Other Equipment	925,618	879,905	841,368
	TOTAL MAINTENANCE	26,202,300	20,893,976	18,475,814
	TOTAL DISTRIBUTION EXPENSE	53,907,817	47,231,670	41,029,244

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2014, 2013 AND 2012

ACCT NO.	CUSTOMER ACCOUNTS	TME Nov. 14 \$	TME Nov. 13 \$	TME Nov. 12 \$
	401700 OPERATION			
901	Supervision	0	0	0
902	Meter Reading Expense	767,874	882,863	1,292,423
903	Customer Records & Collections	8,619,072	8,451,187	8,253,050
904	Uncollectible Accounts	23,159,466	15,649,416	14,320,374
905	Miscellaneous Customer Accounts Expense	<u>24,271</u>	<u>19,452</u>	<u>22,721</u>
	TOTAL CUSTOMER ACCOUNTS EXPENSE	32,570,683	25,002,918	23,888,568
	CUSTOMER SERVICE & INFORMATION			
	401800 OPERATION			
907	Supervision	0	0	0
908	Customer Assistance	8,080,261	5,425,922	3,580,434
909	Informational & Instructional Expense	64,826	69,181	28,833
910	Misc Customer Service & Information Expense	<u>976,471</u>	<u>935,732</u>	<u>1,049,268</u>
	TOTAL CUSTOMER SERVICE EXPENSE	9,121,558	6,430,835	4,658,535
	SALES EXPENSE			
	401400 OPERATION			
911	Supervision	0	0	0
912	Demonstration	599,921	614,495	598,638
913	Advertising	17,276	59,639	70,310
916	Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
	TOTAL SALES EXPENSE	617,197	674,134	668,948

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2014, 2013 AND 2012

ACCT NO.	ADMINISTRATIVE & GENERAL	TME Nov. 14 \$	TME Nov. 13 \$	TME Nov. 12 \$
	401900 OPERATION			
920	Administrative & General Salaries	4,345,968	3,532,685	3,812,814
921	Office Supplies & Expenses	1,870,032	889,382	2,270,074
922	Administrative Expense-Transfer Credit	0	0	0
923	Outside Services Employed	41,638,887	34,133,297	31,762,626
924	Property Insurance	178,270	218,171	185,357
925	Injuries & Damages	2,849,000	2,870,656	2,840,925
926	Employee Pensions & Benefits	6,257,032	4,869,514	12,744,015
928	Regulatory Commission Expense	1,767,435	1,594,822	1,504,431
930.2	Miscellaneous General Expense	627,799	491,499	313,801
931	Rents	590,791	621,338	334,735
	Total Operation	60,125,214	49,221,364	55,768,778
	402900 MAINTENANCE			
932	Maintenance of General Plant	180,430	0	0
	Total Maintenance	180,430	0	0
	TOTAL ADMINISTRATIVE & GENERAL EXPENSE	60,305,644	49,221,364	55,768,778
	TOTAL OPERATION & MAINTENANCE EXPENSE	401,867,981	370,193,992	311,774,855