
Columbia Gas of Pennsylvania, Inc.
2016 General Rate Case
Docket No. R-2016-2529660
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, 2015 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, 2015

Line No.	Cost Element Description	Per Books	Docket No.	Polypipe	Normalized	Detail of	
		Twelve Months Ended November 30, 2015	R-2015-2468056 Rate Case Exp. Adjustments Exh. 4, Sch 2 Page 1	Adjustments Exh. 4, Sch 2 Page 2	Twelve Months Ended November 30, 2015	Rate Making Adjustments Exhibit 4, Schedule 2 Reference	
		(1)	(2)	(3)	(4)	(5)	(6)
		\$	\$	\$	\$	\$	
1	Labor	27,414,523	0	0	1,605,711	29,020,234	Page 3
2	Incentive Compensation	2,017,163	0	0	(251,009)	1,766,154	Page 6
3	Pension	1,307,836	0	0	0	1,307,836	
4	OPEB	(758,524)	0	0	758,524	0	Page 8
5	Other Employee Benefits	5,189,424	0	0	0	5,189,424	
6	Outside Services	22,097,452	(616,520)	810,928	0	22,291,860	
7	Building Leases	1,408,917	0	0	(18,043)	1,390,874	Page 9
8	Other Rent and Leases	782,856	0	0	0	782,856	
9	Corporate Insurance	2,599,082	0	0	822,215	3,421,296	Page 10
10	Injuries and Damages	394,152	0	0	(64,813)	329,339	Page 11
11	Employee Expenses	1,483,321	(518)	0	0	1,482,803	
12	Company Memberships	434,465	0	0	(611)	433,854	Page 12
13	Utilities and Fuel Used in Company Operations	1,290,331	0	0	(426,795)	863,536	Page 13
14	Advertising	229,566	0	0	(172,528)	57,038	Page 14
15	Fleet & Other Clearing	5,881,897	0	0	0	5,881,897	
16	Materials & Supplies	5,635,075	0	0	0	5,635,075	
17	Other O&M	204,143	0	0	0	204,143	
18	PUC, OCA, OSBA Fees	2,151,057	0	0	69,941	2,220,998	Page 15
19	NCSC - Shared Services	31,675,340	(14,333)	0	719,909	32,380,916	Page 16
20	NCSC - Shared Operations	21,374,393	0	0	(118,722)	21,255,671	Page 20
21	Deferred OPEB Refund Amortization	(235,484)	0	0	120,844	(114,640)	Page 24
22	NCSC OPEB costs Amortization	90,313	0	0	(0)	90,313	Page 25
23	NiFit Expense	(530,495)	0	0	530,495	0	Page 26
24	NIFIT Amortization	408,244	0	0	12,011	420,255	Page 27
25	Lobbying	0	0	0	(171,706)	(171,706)	Page 28
26	Charitable Contributions	5,650	0	0	(5,650)	0	Page 29
27	Rate Case Expense	0	0	0	1,030,000	1,030,000	Page 30
28	Uncollectible Accounts	3,831,371	0	0	454,324	4,285,695	Page 31
29	Uncollectible Accounts -Unbundled-gas	1,875,646	0	0	(784,519)	1,091,127	Page 31
30	Total USP Rider	28,460,299	0	0	(6,863,655)	21,596,644	Page 34
31	Interest on Customer Deposits	0	0	0	97,862	97,862	Page 35
32	Total Operation and Maintenance Expense	<u>166,718,012</u>	<u>(631,371)</u>	<u>810,928</u>	<u>(2,656,215)</u>	<u>164,241,354</u>	

Columbia Gas of Pennsylvania, Inc.
Rate Case Expense Removal
Twelve Months Ended November 30, 2015

<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		(616,520)
2	Employee Expenses		(518)
3	Materials & Supplies		0
4	NCSC - Shared Services		(14,333)
5	Other O&M		<u>0</u>
6	2015 Rate Case Expense	Docket No. R-2015-2468056	<u><u>(631,371)</u></u>

Columbia Gas of Pennsylvania, Inc.
Polypipe Expenses and Invoiced Credits Adjustment
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Expense</u> (1)	<u>Credits</u> (2)	<u>Total</u> (3 = 1 + 2) \$
1	Outside Services	490	(811,418)	(810,928)
2	Other O&M	<u>0</u>	<u>0</u>	<u>0</u>
3	Total Polypipe Expense & Credits	<u>490</u>	<u>(811,418)</u>	<u>(810,928)</u>
4	Total Adjustment to remove Polypipe net credit from O&M			<u>810,928</u>

Columbia Gas of Pennsylvania, Inc.
Adjustment to Labor
Twelve Months Ended November 30, 2015

<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	41,231,850	
2	Annualized Labor at 11/30/15	Exh. No. 4, Sch.2, Page 4, Ln. 5	<u>43,982,101</u>	
3	Annualized Gross Payroll Adjustment	Line 2 less Line 1		2,750,251
4	HTY O&M Labor Percentage	Exh. No. 4, Sch.2, Page 7, Ln. 7		<u>58.3842%</u>
5	Annualization Adjustment to Labor O&M	Line 3 times Line 4		<u><u>1,605,711</u></u>

Columbia Gas of Pennsylvania, Inc.
Annualized Labor
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Employees</u>	<u>Amount</u> \$
1	Total Clerical Labor	77	4,463,061
2	Total Exempt Labor	135	11,799,849
3	Total Manual - Non-Union	12	853,070
4	Total Manual - Union	<u>408</u>	<u>26,866,121</u>
5	Total Active Annualized Labor	<u>632</u>	<u>43,982,101</u>

Columbia Gas of Pennsylvania, Inc.
Gross Payroll - Overtime and Premium Pay
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$ (1)
1	Base Hours (1)	1,260,275
2	Overtime Hours (1)	94,184
3	Total Hours (1)	<u>1,354,459</u>
4	Normal Pay (1)	41,231,850
5	Premium Pay (1)	346,916
6	Overtime Pay (1)	4,562,358
7	Affiliate	<u>125,802</u>
8	Total Payroll Dollars	<u>46,266,926</u>

(1) From Payroll Analysis of Labor Increases Report.

Columbia Gas of Pennsylvania, Inc.
Incentive Compensation Adjustment
Twelve Months Ended November 30, 2015

Line No.	Description	Reference	Amount \$	Adjustment \$
1	Incentive Compensation per Books	Exh. 4, Sch. 1, Pg. 2, Ln. 2		2,017,163
2	Incentive Compensation Paid in 2015		3,025,056	
3	HTY O&M Labor Percentage	Exh. No. 4, Sch.2, Page 7, Ln.7	<u>58.3842%</u>	
4	Incentive Compensation Paid included in O&M	Ln 2 x Ln 3		<u>1,766,154</u>
5	Total Adjustment	Ln 4 - Ln 1		<u>(251,009)</u>

Columbia Gas of Pennsylvania, Inc.
HTY O&M Labor Percentage
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Historic Test Period Per Books</u> \$	<u>HTY O&M Percentage</u> \$
	Labor		
1	O&M Expense	29,431,685	58.3842%
2	CWIP	19,692,414	39.0642%
3	RWIP	1,062,438	2.1076%
4	Fleet	147,517	0.2926%
5	Non-Utility	76,329	0.1514%
6	Total Gross Labor	<u>50,410,383</u>	<u>100.0000%</u>
7	HTY O&M Labor Percentage - (Ln 1 / Ln 6)		<u>58.3842%</u>

Columbia Gas of Pennsylvania, Inc.
OPEB Expense Adjustment
Twelve Months Ended November 30, 2015

<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	758,524

Columbia Gas of Pennsylvania, Inc.
Building Leases Adjustment
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Lease Number</u>	<u>Type of Property</u>						<u>Adjustment</u>
								\$
1		Total Building Lease expense per Books (Ex 4, Sch 1, Pg 2, Ln 7)						1,408,917
			<u>Annual</u>					
			<u>Rental</u>	<u>CAM</u>	<u>Charged to</u>	<u>Charged to</u>	<u>Net</u>	
			<u>(1)</u>	<u>Charges</u>	<u>Other Comp.</u>	<u>A/C 107</u>	<u>Rental</u>	
			\$	\$	\$	\$	\$	
		<u>Building Leases</u>						
2	B251	Uniontown	35,472		2,441		33,031	
3	B255	Charleroi	25,524		11,696		13,828	
4	B255	Charleroi AMR Parking	3,000				3,000	
5	B257	Gettysburg Fire Training Facility	11,430				11,430	
6	B261	Rochester	61,200				61,200	
7	B266	Alpine Point	445,800	51,804	171,522		222,474	
8	B268	Canonsburg Headquarters	801,048		534,719		266,329	
9	B269	Greencastle MOD	16,956				16,956	
10	B270	Harrisburg Office	19,308				19,308	
11	B271	Neville Island MOD	45,600	1,200			44,400	
12	B271	Neville Island Parking	9,600				9,600	
13	B274	York Construction Services	38,340			38,340	-	
14	B276	Greensburg Welding Facility	29,196	5,196			24,000	
15	B277	Somerset	40,704				40,704	
16	B277	Connellsville Construction Office	32,400			32,400	-	
17	B278	Strabane-Washington Construction	18,000			18,000	-	
18	B279	York	665,076	116,004	239,406		309,666	
19	B282	New Castle MOD	281,484	20,484	57,210		203,790	
20	B283	South Pittsburgh Construction Office	46,404			46,404	-	
21	B284	PA Central Additional MOD (Horning)	66,000				66,000	
22	WP0000	Cranberry IRP/Construction	38,940			38,940	-	
23		Subtotal Building Leases	<u>2,731,482</u>	<u>194,688</u>	<u>1,016,994</u>	<u>174,084</u>	<u>1,345,716</u>	<u>1,345,716</u>
24		Property Taxes						<u>45,158</u>
25		Total Building Lease and Property Taxes TME 11-30-2015 (Ln 23 plus Ln 24)						<u>1,390,874</u>
26		Total Building Lease Adjustment (Ln 16 less Ln 1)						<u>(18,043)</u>

Columbia Gas of Pennsylvania, Inc.
Corporate Insurance Adjustment
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Per Books</u> \$ (1)	<u>Premiums 2015/2016 Premiums</u> \$ (2)	<u>Adjustment</u> \$ (3 = 2 - 1)
1	Total Account 924 Property Insurance		147,412	112,732	(34,680)
2	Total Account 925 Other Misc Insurance		2,169,521	3,040,739	871,218
3	Total Account 925 Workers Compensation		471,374	447,445	(23,929)
4	Account 925 Workers Comp Transferred to Capital		(189,226)	(179,620) 1_ /	9,606
5	Adjusted Account 925 Workers Compensation		<u>282,148</u>	<u>267,825</u>	<u>(14,323)</u>
6	Total Corporate Insurance	Ln 1 + Ln 2 + Ln 5	<u>2,599,081</u>	<u>3,421,296</u>	<u>822,215</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).

Columbia Gas of Pennsylvania, Inc.
Injuries & Damages Adjustment
For the Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Year</u>	<u>Reference</u>				<u>Adjustment</u> \$
1	Total Injuries and Damages Accrual per Books	Ex. 4, Sch. 1, Pg. 2, Ln. 10				394,152
			<u>Injuries & Damages Dollars</u> \$	<u>Average GDP Deflator</u>	<u>GDP Deflator 2014-2015 Index</u>	<u>Injuries & Damages 2011-2015</u> \$
2	12/14-11/15		340,940	1.098106389	1	340,940
3	12/13-11/14		261,045	1.086816551	0.989718812	263,757
4	12/12-11/13		362,842	1.06925823	0.973729176	372,632
5	12/11-11/12		325,681	1.052130131	0.958131326	339,913
6	12/10-11/11		309,942	1.033072106	0.940775972	<u>329,454</u>
7	Total		<u>1,600,451</u>			<u>1,646,695</u>
8	5 Year Average		320,090			329,339
9	Total Injuries and Damages Adjustment	(Line 8 less Line 1)				<u>(64,813)</u>

Columbia Gas of Pennsylvania, Inc.
Company Memberships - Industrial and Civic Associations Adjustment
Twelve Months Ended November 30, 2015

Line No.	Description	Reference	Amount \$	Adjustment \$
1	<u>INDUSTRIAL ASSOCIATIONS</u>			
2	African American Chamber of Commerce - 2015 Membership Fee		1_/ 3,000	
3	Allegheny County - Conference on Community Development		66,300	
4	American Gas Association - 1st Quarter Dues 2015		45,679	
5	American Gas Association - 2nd Quarter Dues 2015		45,653	
6	American Gas Association - 3rd Quarter Dues 2015		45,653	
7	American Gas Association - 4th Quarter Dues 2015		45,653	
8	Beaver County Chamber of Commerce - 2015 Membership Fee		407	
9	Beaver County Corporation for Economic Development - 2015 Membership Fee		200	
10	Bellefonte and Intervalley Area Chamber of Commerce - 2015 Membership Fee		340	
11	Bradford Area Chamber of Commerce - 2015 Membership Fee		145	
12	Butler County Chamber of Commerce - 2015 Membership Fee		315	
13	Chamber of Business and Industry of Centre County - 2015 Membership Fee		245	
14	Common Ground Alliance - 2015 Bronze Sponsorship		1,861	
15	Energy Association of Pennsylvania - 2015 Membership Fee		87,339	
16	Fay Penn Economic Development Council - 2015 & 2016 Membership Fees		4,000	
17	Fayette Chamber of Commerce - 2015 Membership Fee		434	
18	Greater Pittsburgh Chamber of Commerce - 2015 Membership Fee		2,200	
19	Hagerstown-Washington County Chamber of Commerce - 2015 Membership Fee		585	
20	Hanover Area Chamber of Commerce - 2015 Membership Dues		1,106	
21	Lawrence County Chamber of Commerce - 2015 Membership Dues		425	
22	Mon Valley Regional Chamber of Commerce - 2015 Membership Fee		347	
23	McMurray Rotary Club - Quarterly Membership Dues		820	
24	Pennsylvania Association for Government Relation - 2015 Membership Fee		360	
25	Pennsylvania Business Council - 2015 Membership Fee		17,499	
26	Pennsylvania Chamber of Business & Industry - 2015 Membership Fee		33,500	
27	Pennsylvania Legislative Services - 2015 Membership Fee		16,875	
28	Rochester Chamber of Commerce - 2015 Membership Fee		100	
29	Southpointe CEO Association - 2015 Membership Fee		2,000	
30	Southern Gas Association		8,818	
31	The Pennsylvania Society - 2015 Membership Fee		225	
32	Utility State Government Organization - 2015 Membership		500	
33	Washington County Chamber of Commerce - 2015 Membership Fee		500	
34	Westmoreland Chamber of Commerce - 2015 Membership Fee		276	
35	York County Economic Alliance - 2015 Membership Fee		1,105	
36	Total Industrial Organizations		434,465	
37	Total Company Memberships Per Books	Ex. 4, Sch. 1, Pg. 2, Ln. 12		434,465
	<u>Adjustments:</u>			
38	Hagerstown-Washington County Chamber of Commerce - 2015 Membership Fee		(585)	
39	American Gas Association Dues - Per Books	Ln 4 + Ln 5 + Ln 6 + Ln 7	182,639	
40	Annualization of American Gas Associations Dues	Ln 7 times 4	2_/ 182,612	
41	Adjustment to American Gas Associations Dues		(26)	
42	Total adjustment for Company Memberships	Line 39 + Line 40 + Line 43		(611)
43	Adjusted Company Memberships HTY November 30, 2015	Line 38 + Line 44		433,854

1_/ Renewal of 2015 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 4.5% of AGA Dues. (\$182,639 x 4.5% = \$ 8,219) 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, 2015

<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. 15	<u>(426,795)</u>

Columbia Gas of Pennsylvania, Inc.
Advertising Adjustment
Twelve Months Ended November 30, 2015

<u>Line</u> <u>No.</u>		<u>Period Ending</u> <u>11/30/15</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	1,910
5	e. Other Advertising Programs	0
6	Total Newspaper Advertising Expense	<u>1,910</u>
	<u>TELEVISION</u>	
7	a. Public Health & Safety	14,143
8	b. Conservation	0
9	c. Educational Billing, Rates, Supply, etc.	0
10	d. Institutional Programs	48,051
11	e. Other Advertising Programs	0
12	Total Television Advertising Expense	<u>62,194</u>
	<u>RADIO</u>	
13	a. Public Health & Safety	1,125
14	b. Conservation	0
15	c. Educational Billing, Rates, Supply, etc.	25,000
16	d. Institutional Programs	53,703
17	e. Other Advertising Programs	0
18	Total Radio Advertising Expense	<u>79,828</u>
	<u>MAGAZINES & MISCELLANEOUS</u>	
19	a. Public Health & Safety	14,086
20	b. Conservation	0
21	c. Educational Billing, Rates, Supply, etc.	2,684
22	d. Institutional Programs	68,864
23	e. Other Advertising Programs	0
24	Total Mag. & Misc. Advertising Expense	<u>85,634</u>
25	Per Books Advertising Expense	229,566
26	Adjustments for Non-Recoverable Advertising	<u>(172,528)</u>
27	Normalized Expense	<u><u>57,038</u></u>
	<u>BILL INSERTS & BROCHURES (included in NCSC - Shared Services)</u>	
28	a. Public Health & Safety	20,762
29	b. Conservation	0
30	c. Educational Billing, Rates, Supply, etc.	113,693
31	d. Institutional Programs	0
32	e. Other Advertising Programs	0
33	Total Bill Insert Advertising Expense	<u><u>134,455</u></u>

Columbia Gas of Pennsylvania, Inc.
PUC, OCA, OSBA Fees Adjustment
Twelve Months Ended November 30, 2015

<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	2,151,057
2	Invoice - September 10, 2015		<u>2,220,998</u>
3	Adjustment	Line 2 - Line 1	<u><u>69,941</u></u>

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2015
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		33,926,471		
2	Amounts Transferred to Balance Sheet and Non-utility Expense		(2,251,130)		
3	Net Amount Included in O&M Costs Per Books	Ln 1 + Ln 2			31,675,341
4	Incentive Compensation Test Year Adjustment	Exh 4, Sch 2, pg 17, Line 17			478,363
5	Historic Test Year Labor and Benefit Adjustment	Exh 4, Sch 2, pg 18, Line 14			654,529
6	Historic Test Year Removal of Phantom Stock				(258,832)
7	Adjustments for Non-Recoverable Items:				
8	Lobbying Charges			(1,560)	
9	Advertising			(3,260)	
10	Charitable Contributions			(35,199)	
11	Other Non-Recoverable Charges			(103,564)	
12	Total Non-Recoverable Items Adjustment	Ln 8 + Ln 9 + Ln 10 + Ln 11			(143,583)
13	Adjustments for Non-Recurring Items				(10,568)
14	Normalized Test Year Per Books	Ln 3 + Ln 4 + Ln 5 + Ln 6+ Ln 12 + Ln 13			32,395,250
15	Total NCSC - Shared Services Adjustment	Ln 14 - Ln 3			719,909

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2015
Incentive Compensation Adjustment

<u>Line No.</u>	<u>Month</u>	<u>Reference</u>	<u>NCSC - Shared Services Total Accrued Incentive Compensation</u> \$ (1)	<u>NCSC - Shared Services % of Total NCSC Loaded Labor</u> (2)	<u>CPA Portion of Accrued Incentive Compensation</u> \$ (3)
1	December-14		5,370,523	7.29%	391,396
2	January-15		1,342,501	7.55%	101,386
3	February-15		1,342,501	7.33%	98,431
4	March-15		773,911	7.03%	54,397
5	April-15		1,341,983	6.85%	91,978
6	May-15		1,341,983	6.56%	88,055
7	June-15		1,884,701	8.40%	158,403
8	July-15		2,368,952	10.92%	258,712
9	August-15		1,072,843	10.00%	107,334
10	September-15		1,072,982	9.50%	101,909
11	October-15		1,072,953	10.37%	111,309
12	November-15		1,724,550	9.84%	169,679
13	Total Accrued Incentive Compensation	Sum of Ln 1 through Ln 12	20,710,382		1,732,989
14	Incentive Compensation Paid in 2015		22,577,237	9.8390% (a)	2,221,374
15	Gross Historic Test Year Adjustment	Ln 14 - Ln 13			488,385
16	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 19, Ln 4			97.9480%
17	Net Historic Test Year Adjustment	Ln 15 x Ln 16			478,363

(a) CPA Portion of Incentive Compensation is same percentage used for the CPA Labor & Benefits Allocation. This percentage was determined by taking the November 2015 loaded labor.

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2015
Labor & Benefit Costs Annualized

Line No.	Description	Reference	Total NCSC - Shared Services Per Books 11/2015 (1)	November 2015 % to NCSC - Shared Services (2)	CPA Portion (3)=(1) x (2)
<u>Labor Adjustment - Annualize Based on November 2015 Charges</u>					
1	November 2015 Labor Cost	Percentage: Exh 4, Sch 2, Pg 17, Ln 14	5,891,561	9.8390%	579,671
2	November 2015 Payroll Taxes	Exh 4, Sch 2, Pg 17, Ln 14	356,718	9.8390%	35,097
3	November 2015 Benefits (w/o Pension & OPEB)	Exh 4, Sch 2, Pg 17, Ln 14	1,764,766	9.8390%	173,635
<u>Payroll & Benefit Costs Per Labor</u>					
5	Payroll Taxes Per Labor Cost	Ln 2 / Ln 1			6.0546%
6	Benefits (w/o Pension & OPEB) Per Labor Cost	Ln 3 / Ln 1			29.9541%
<u>Annualization Adjustments</u>					
8	Annualized Labor	Ln 1 x 12			6,956,052
9	Total Labor Per Books				<u>6,464,730</u>
9	Total Annualized Labor Adjustment	Ln 8 - Ln 9			491,322
10	Annualized Payroll Taxes Adjustment	Ln 9 x Ln 5			29,748
11	Annualized Benefit (w/o Pension & OPEB) Adjustment	Ln 9 x Ln 6			147,171
12	Total Gross Labor, Payroll Taxes & Benefit Adjustment	Ln 9 + Ln 10 + Ln 11			<u>668,241</u>
13	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 19, Ln 4			97.9480%
14	Total Net Labor, Payroll Taxes, & Benefits net Adjustment	Ln 12 x Ln 13			<u><u>654,529</u></u>

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Services
Twelve Months Ended November 30, 2015
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		10,696,248
2	Test Year Labor charged to O&M		<u>10,476,764</u>
3	Test Year Labor charged to Balance Sheet and Non-Utility Expense	Ln 1 - Ln 2	219,484
4	Percentage of Labor charged to O&M	Ln 2 / Ln 1	97.9480%
5	Percentage of Labor charged to Balance Sheet and Non-Utility Expense	Ln 3 / Ln 1	2.0520%

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Operations
Twelve Months Ended November 30, 2015
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		29,557,436		
2	Amounts Transferred to Balance Sheet and Non-utility Expense		(8,183,043)		
3	Net Amount Included in O&M Costs Per Books	Ln 1 + Ln 2			21,374,393
4	Incentive Compensation Test Year Adjustment	Exh 4, Sch 2, pg 21, Line 17			(19,501)
5	Historic Test Year Labor and Benefit Adjustment	Exh 4, Sch 2, pg 22, Line 15			85,254
6	Adjustments for Non-Recoverable Items				
7	Lobbying Charges			(16)	
8	Advertising			(38,734)	
9	Charitable Contributions			(4,261)	
10	Other Non-Recoverable Charges			(123,098)	
11	Total Non-Recoverable Items Adjustment	Ln 7 + Ln 8 + Ln 9 + Ln 10			(166,109)
12	Adjustments for Non-Recurring Items				(18,366)
13	Normalized Test Year Per Books	Ln 3 + Ln 4 + Ln 5 + Ln 11+ Ln 12			21,255,671
14	Total NCSC - Shared Operations Adjustment	Ln 13 - Ln 3			(118,722)

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Operations
Twelve Months Ended November 30, 2015
Incentive Compensation Adjustment

Line No.	Month	Reference	NCSC - Shared Operations	NCSC - Shared	CPA Portion of Accrued
			Total Accrued Incentive Compensation	Operations % of Total NCSC Loaded Labor	Incentive Compensation
			\$		\$
			(1)	(2)	(3)
1	December-14		1,062,043	19.2712%	204,668
2	January-15		659,920	18.9062%	124,766
3	February-15		659,920	19.1418%	126,320
4	March-15		659,920	18.7712%	123,875
5	April-15		660,439	18.9162%	124,930
6	May-15		656,690	19.2611%	126,486
7	June-15		651,672	18.3356%	119,488
8	July-15		1,370,944	19.4838%	267,112
9	August-15		609,870	18.6748%	113,892
10	September-15		609,840	17.7587%	108,300
11	October-15		609,761	17.3267%	105,651
12	November-15		1,312,493	18.3749%	241,170
13	Total Accrued Incentive Compensation	Sum of Ln 1 through Ln 12	9,523,513		1,786,657
14	Incentive Compensation Paid in 2015		9,560,839	18.3749% (a)	1,756,795
15	Gross Historic Test Year Adjustment	Ln 14 - Ln 13			(29,863)
16	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 23, Ln 4			65.3003%
17	Net Historic Test Year Adjustment	Ln 15 x Ln 16			(19,501)

(a) CPA Portion of Incentive Compensation is same percentage used for the CPA Labor & Benefits Allocation. This percentage was determined by taking the November 2015 loaded labor.

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Operations
Twelve Months Ended November 30, 2015
Labor & Benefit Costs Annualized

Line			Total NCSC - Shared Operations	November 2015	
<u>No.</u>	<u>Description</u>	<u>Reference</u>	<u>Per Books 11/2015</u>	<u>% to NCSC -</u>	<u>CPA Portion</u>
			<u>(1)</u>	<u>Shared Operations</u>	<u>(3)=(1) x (2)</u>
				<u>(2)</u>	
	<u>Labor Adjustment - Annualize Based on November 2015 Charges</u>	Percentage:			
1	November 2015 Labor Cost	Exh 4, Sch 2, Pg 21, Ln 14	5,748,372	18.3749%	1,056,258
2	November 2015 Payroll Taxes	Exh 4, Sch 2, Pg 21, Ln 14	347,216	18.3749%	63,801
3	November 2015 Benefits (w/o Pension & OPEB)	Exh 4, Sch 2, Pg 21, Ln 14	1,775,596	18.3749%	326,264
4	<u>Payroll & Benefit Costs Per Labor</u>				
5	Payroll Taxes Per Labor Cost	Ln 2 / Ln 1			6.0403%
6	Benefits (w/o Pension & OPEB) Per Labor Cost	Ln 3 / Ln 1			30.8887%
7	<u>Annualization Adjustments</u>				
8	Annualized Labor	Ln 1 x 12			12,675,096
9	Total Labor Per Books				<u>12,579,749</u>
10	Total Annualized Labor Adjustment	Ln 8 - Ln 9			95,347
11	Annualized Payroll Taxes Adjustment	Ln 10 x Ln 5			5,759
12	Annualized Benefit (w/o Pension & OPEB) Adjustment	Ln 10 x Ln 6			29,451
13	Total Gross Labor, Payroll Taxes & Benefit Adjustment	Ln 10 + Ln 11 + Ln 12			<u>130,557</u>
14	Percentage of Labor charged to O&M	Exh 4, Sch 2, Pg 23, Ln 4			65.3003%
15	Total Net Labor, Payroll Taxes, & Benefits net Adjustment	Ln 13 x Ln 14			<u><u>85,254</u></u>

Columbia Gas of Pennsylvania, Inc.
NCSC - Shared Operations
Twelve Months Ended November 30, 2015
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		19,152,520
2	Test Year Labor charged to O&M		<u>12,506,653</u>
3	Test Year Labor charged to Balance Sheet and Non-Utility Expense	Ln 1 - Ln 2	6,645,867
4	Percentage of Labor charged to O&M	Ln 2 / Ln 1	65.3003%
5	Percentage of Labor charged to Balance Sheet and Non-Utility Expense	Ln 3 / Ln 1	34.6997%

Columbia Gas of Pennsylvania, Inc.
 Deferred OPEB Refund Amortization
 Twelve Months Ended November 30, 2015

<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		(235,484)
2	Deferred OPEB Refund Amortization Per Order	Docket No. R-2015-2468056	(114,640)	
3	Amortized over 1 years		<u>1</u>	
4	Annual amortization	Line 2 / Line 3	(114,640)	(114,640)
5	Adjustment	Line 4 - Line 1		<u><u>120,844</u></u>

Columbia Gas of Pennsylvania, Inc.
NCSC OPEB Amortization
Twelve Months Ended November 30, 2015

<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-2012-2321748	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, 2015

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	To remove Non-Labor NiFit Expense Adjustment	Exh 4, Sch. 1, Pg. 2, Ln. 23	1/ <u>530,495</u>

1/

Includes December 2014 one-time deferral catch up entry of \$530,975.54 that moved additional Non-Labor NiFIT Expense from O&M to a regulatory asset, as approved in the Commission Order for Docket No. R-2014-2406274.

Columbia Gas of Pennsylvania, Inc.
NiFit Amortization Adjustment
Twelve Months Ended November 30, 2015

<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		408,244
2	Deferred Non-Labor NiFit Costs	Docket No. R-2015-2468056	1,260,764	
3	Amortized over 3 years		<u>3</u>	
4	Annual amortization	Line 2 / Line 3		420,255
5	Adjustment	Line 4 - Line 1		<u><u>12,011</u></u>

Columbia Gas of Pennsylvania, Inc.
Lobbying Expenses Adjustment
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$
1	Internal Labor	(40,345)
2	Overheads	(8,284)
3	Memberships	(20,960) 1_ /
4	Consultants	<u>(102,117)</u>
5	Total Lobbying Expense to be Removed	<u><u>(171,706)</u></u>

1_ / Includes AGA lobbying expense, Exhibit No. 4, Schedule No. 2, Page 12 ($\$182,639 \times 4.50\% = \$8,219$)

Columbia Gas of Pennsylvania, Inc.
Charitable Contributions Adjustment
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u> \$
1	United Way of Lawrence County		(325)
2	African American Chamber of Commerce		225
3	Mountain Maryland PACE Reception & Legislative Breakfast		750
4	Governor Wolf Inaugural Event		5,000
5	Total Charitable Organizations		<u>5,650</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, 2015

<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. 18	<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, 2015

Line No.	12 Mos Ended 11/2013 \$	12 Mos Ended 11/2014 \$	12 Mos Ended 11/2015 \$	Total 3 Year Average \$	12 Mos Ended 11/2015 Detail \$	Adjustment \$	Base Rate Uncoll	Unbundled Uncoll \$
1	<u>Normal DIS Charge-Offs Recovered Through Base Rates (Non CAP)</u>							
2	Total DIS Billed Revenue [1]	388,528,806	478,655,428	498,029,840	1,365,214,074			
3	CAP Revenue Included above (Page 33) [1]	12,246,073	15,014,943	16,713,295	43,974,312			
4	Adjusted DIS Billed Revenue (Line 2 less 3)	376,282,733	463,640,485	481,316,544	1,321,239,763			
5	Gross Charge-offs - Sales Acct.	6,604,856	8,236,920	9,464,347				
6	Gross Charge-offs - Choice Acct.	491,330	648,704	537,862				
7	Recoveries - Sales Acct.	(2,265,285)	(2,638,892)	(3,703,403)				
8	Recoveries - Choice Acct.	(124,178)	(188,545)	(183,972)				
9	Net Write-offs (Lines 5 through 8)	4,706,723	6,058,187	6,114,833	16,879,743			
10	Uncollectible Accounts Average Write-off Rate (Line 9 / Line 4)	0.0125085	0.0130666	0.0127044	0.0127757			
11	Total Annualized DIS Revenue				445,636,329			
12	<u>Adjustments to Annualized Revenue:</u>							
13	CAP Revenue Exhibit 3, Schedule 1, Page 3, Line 20				25,830,847			
14	Annualized DIS Revenue adjusted (Ln 11 less Ln 13)				419,805,482			
15	Uncollectible Accounts Average Write-off Rate (Ln 10)				0.0127757			
16	Total Annualized DIS Uncollectible Accounts (Ln 14 * Ln 15)				5,363,303	5,363,303		
17	<u>GMB / GTS Uncollectible</u>							
18	Total Annualized GMB/GTS Revenue				38,124,220			
19	Gross Charge-offs - GMB	(1,626)	(40)	42,307				
20	Recoveries - GMB Acct.	(83)	0	0				
21	Net Write-offs (Ln 19 + Ln 20)	(1,709)	(40)	42,307	40,558			
22	GMB/GTS Uncollectible Accounts 3 Year Average Write-off (Ln 21 / 3 years)				13,519	13,519		
23	<u>Total Annualized DIS & GMB/GTS Uncollectible Accounts (Ln 16 + Ln 22)</u>				5,376,822	4,285,695	1,091,127	[2]
24	Test Year Uncollectible Accounts Acct. 904-3250 (12 Months Ended November 30, 2015)				5,663,366			
25	Test Year Uncollectible Accounts Acct. 904-3252 (12 Months Ended November 30, 2015)				43,651			
26	Total Test Year Uncollectible (Ln 24 + Ln 25)				5,707,017	3,831,371	1,875,646	
27	Total Uncollectible Adjustment (Line 23 - Line 26)				(330,195)	454,324	(784,519)	

[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 7/2013, 7/2014 and 7/2015.

[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, 2015

Line No.	12 Mos Ended 11/2013 \$ (1)	12 Mos Ended 11/2014 \$ (2)	12 Mos Ended 11/2015 \$ (3)	Total / 3 Year Average Rate \$ (4)	
Residential					
1	309,195,616	380,018,796	397,157,114	1,086,371,526	
2	12,246,073	15,014,943	16,713,295	43,974,311	
3	<u>296,949,543</u>	<u>365,003,853</u>	<u>380,443,819</u>	<u>1,042,397,215</u>	
4	6,672,544	8,355,153	9,352,065	24,379,762	
5	<u>(2,246,812)</u>	<u>(2,658,639)</u>	<u>(3,634,696)</u>	<u>(8,540,147)</u>	
6	4,425,732	5,696,514	5,717,369	15,839,615	
7	0.0149040	0.0156067	0.0150282	0.0151954	
Commercial & Industrial					
8	79,333,190	98,636,633	100,872,725	278,842,548	
9	0	0	0	0	
10	<u>79,333,190</u>	<u>98,636,633</u>	<u>100,872,725</u>	<u>278,842,548</u>	
11	423,642	530,471	650,143	1,604,257	
12	<u>(142,651)</u>	<u>(168,798)</u>	<u>(252,679)</u>	<u>(564,129)</u>	
13	280,991	361,673	397,464	1,040,128	
14	0.0035419	0.0036667	0.0039403	0.0037302	
Total					
15	388,528,806	478,655,428	498,029,840	1,365,214,074	
16	12,246,073	15,014,943	16,713,295	43,974,311	
17	<u>376,282,733</u>	<u>463,640,485</u>	<u>481,316,544</u>	<u>1,321,239,763</u>	
18	7,096,186	8,885,624	10,002,208	25,984,019	
19	<u>(2,389,463)</u>	<u>(2,827,437)</u>	<u>(3,887,375)</u>	<u>(9,104,276)</u>	
20	4,706,723	6,058,187	6,114,833	16,879,743	
21	0.0125085	0.0130666	0.0127044	0.0127757	Exh. 4, Sch. 2, P. 31
22	Charge-off Percentages (Data only available for 12 months ending 11/30/2014 & 11/30/2013)				
23	11/30/2014	11/30/2014	11/30/2015		
23	Residential	94.030%	94.030%	93.500%	
24	Commercial & Industrial	5.970%	5.970%	6.500%	

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 7/2013, 7/2014 and 7/2015.

Columbia Gas of Pennsylvania, Inc.
CAP Revenue Per Books
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Month</u>	<u>DTH Volumes</u>	<u>Total Billed Amount [1]</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	Aug-14	37,452.8	521,584.30
2	Sep-14	41,259.4	538,804.92
3	Oct-14	75,461.1	666,575.18
4	Nov-14	189,267.3	1,153,953.99
5	Dec-14	381,484.7	1,911,347.84
6	Jan-15	485,280.9	2,671,952.42
7	Feb-15	535,602.2	2,806,885.06
8	Mar-15	529,545.3	2,505,213.25
9	Apr-15	292,465.7	1,739,362.73
10	May-15	125,367.0	985,118.12
11	Jun-15	56,748.5	649,171.06
12	Jul-15	<u>39,431.9</u>	<u>563,326.57</u>
13		<u>2,789,366.8</u>	<u>16,713,295.44</u>

[1] Includes demand cost

Columbia Gas of Pennsylvania, Inc.
USP Rider Adjustment
Twelve Months Ended November 30, 2015

<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	28,460,299
2	Total USP Rider Proforma Historic Test Year	Exhibit No. 3, Pg 10, Col. 3, Ln 18	<u>21,596,644</u>
3	Total Adjustment	Line 2 - Line 1	<u><u>(6,863,655)</u></u>

Columbia Gas of Pennsylvania, Inc.
Interest on Customer Deposits
Twelve Months Ended November 30, 2015

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$	<u>Reference</u>
1	Average Customer Deposit Balance	3,262,055	Account 23500000
2	Interest rate to be applied in 2015	<u>3.00%</u>	Per Act 201 (Ch. 14), Section 202
3	Interest on Customer Deposits @ Current Rate	<u><u>97,862</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 3 - Test Year
b. Col 1 and 2 -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, 2013 and November 30, 2014 and November 30, 2015 before Normalization

Cost Element	(1)	Twelve Months Ended			Increase/ (Decrease) (5=4-3)
		November 30, 2013	November 30, 2014	November 30, 2015	
		(2)	(3)	(4)	(5=4-3)
		\$	\$	\$	\$
Labor		25,216,340	25,577,234	27,414,523	1,837,289
Incentive Compensation		1,476,899	1,963,563	2,017,163	53,600
OPEB		(584,512)	(829,647)	(758,524)	71,123
Other Employee Benefits		6,146,516	7,205,364	6,497,260	(708,104)
Outside Services		21,647,976	27,421,231	21,565,514	(5,855,717)
Rent and Leases		1,725,311	1,625,227	2,191,773	566,546
Corporate Insurance		2,744,369	2,701,405	2,599,082	(102,323)
Injuries and Damages		334,942	324,405	406,866	82,461
Employee Expenses		1,293,765	1,227,423	1,528,407	300,984
Company Memberships		246,269	272,054	381,665	109,611
Utilities and Fuel Used in Company Operations		1,215,231	1,223,894	1,290,331	66,437
System Services		42,304,325	50,136,200	53,049,733	2,913,533
Uncollectible Accounts		4,700,135	6,766,030	5,707,017	(1,059,013)
Uncollectible CAP		10,949,281	16,393,437	17,679,036	1,285,599
Advertising		168,779	280,839	231,009	(49,830)
Other O&M		9,153,282	13,797,329	22,759,512	8,962,183
Royalties		5,976	5,976	5,938	(37)
PUC, OCA, OSBA Fees		1,594,824	1,767,435	2,151,057	383,622
Charitable Contributions		8,742	200	650	450
Total		130,348,450	157,859,599	166,718,012	8,858,413

Columbia Gas of Pennsylvania, Inc..
Rate Making Operation and Maintenance Expense by Cost Element
Twelve Months Ended November 30, 2014 and November 30, 2015 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, customer installations and mains and services maintenance.	1,837,289
Incentive Compensation	The cost element includes the incentive compensation for employees. The increase is primarily due to accruing at an increased incentive level for 2015 vs. 2014.	53,600
OPEB	The cost element includes OPEB benefit costs. The increase is primarily due to increased costs based on actuary study in 2015.	71,123
Other Employee Benefits	The cost element includes benefit costs for medical, dental, pension, life insurance, LTD and thrift plan. The decrease is primarily due to decreased pension funding in 2015.	(708,104)
Outside Services	The cost element includes charges for outside services for operation and maintenance expense. The decrease is primarily due to decreased weatherization costs , and decreased distribution operating expenses for leak repair, paving, and material specifications. The decrease is partially offset by increased reconnects and right of way.	(5,855,717)
Rent and Leases	The cost element includes rent for buildings and equipment used by Pennsylvania employees, such as CPA headquarters and operating centers. The increase is primarily due to capital lease activity.	566,546
Corporate Insurance	The cost element includes property, liability, officer and director and other corporate insurance policies. The decrease is primarily due to decreased liability insurance.	(102,323)
Injuries and Damages	Based on Management's analysis, the injuries and damages accrual was increased for the current year.	82,461
Employee Expenses	The cost element includes employee travel and expenses, meals, meetings, employee awards, relocation expense and professional dues. The increase is primarily due to increased business expenses.	300,984
Company Memberships	The cost element includes industry and civic association memberships. The increase is primarily due to increased industry and civic association expenses.	109,611
Total		(3,644,531)

Columbia Gas of Pennsylvania, Inc..
Rate Making Operation and Maintenance Expense by Cost Element
Twelve Months Ended November 30, 2014 and November 30, 2015 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 electric charges and gas used.	66,437
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.	2,913,533
Uncollectible Accounts	The cost element includes charges for the uncollectible accounts accrual. The decrease is primarily due to a decrease in accrual based on management's analysis of receivables, and a decrease in expense for large volume customers.	(1,059,013)
Uncollectible CAP	The cost element includes charges for the CAP program. The increase is primarily due to shortfall amortization and preprogram arrears amortization.	1,285,599
Advertising	The cost element includes general advertising expenses for communications and customer information. The decrease is primarily due to decreased communications advertising.	(49,830)
Other O&M	The increase is primarily due to increased USP rider amortization and deferred weatherization costs.	8,962,183
Royalties	The cost element includes storage well rents and royalties.	(37)
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.	383,622
Charitable Contributions	Includes contributions to local chambers of commerce, and local civic groups. Contributions based on management discretion each year.	450
Total		<hr/> 8,858,413

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, 2015

	<u>Operation</u>	<u>Maintenance</u>	<u>Total</u>
	\$	\$	\$
Other Gas Supply	0	0	0
Underground Storage	0	0	0
Distribution	17,248,336	6,493,545	23,741,882
Customer Accounts	1,264,154	0	1,264,154
Customer Service & Informational	0	0	0
Sales Promotion	0	0	0
Administrative & General	<u>4,425,649</u>	<u>0</u>	<u>4,425,649</u>
 Total Labor Charged to Expense	 22,938,140	 6,493,545	 29,431,685

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, 2015	2.00%	\$68,770
United Steelworkers of America - Local 13836-14	September 15, 2015	2.00%	\$97,846
Utility Workers Union of America - Local 475	September 30, 2015	2.00%	\$176,882
Utility Workers Union of America - Local 479	November 1, 2015	2.00%	\$90,846
United Steelworkers of America - Local 1852-17	April 1, 2015	2.00%	<u>\$102,978</u>
			\$537,322

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, 2015	2.50%	\$111,577
Exempt (Refer to GAS-RR-28)	June 1, 2015	3.00%	\$353,995
Manual Non-Union	June 1, 2015	2.50%	<u>\$21,327</u>
			\$486,899

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

	<u>Estimated</u> <u>Gross</u>
Clerical	\$111,577
Exempt	\$353,995
Manual Non-Union	\$21,327
Union	<u>\$537,322</u>
	\$1,024,221

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, 2015	\$29,431,686
Adjustments (Exhibit No. 4)	<u>\$1,354,702</u>
Annualized November 30, 2015	<u>\$30,786,388</u>
FTY Per Budget November 30, 2016	\$31,403,000
Adjustments (Exhibit No. 104) FTY	<u>\$379,769</u>
Annualized November 30, 2016	<u>\$31,782,769</u>
FFRY Per Budget December 31, 2017	\$33,684,000
Adjustments (Exhibit No. 104) FFRY	<u>\$336,714</u>
Annualized December 31, 2017	<u>\$34,020,714</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.

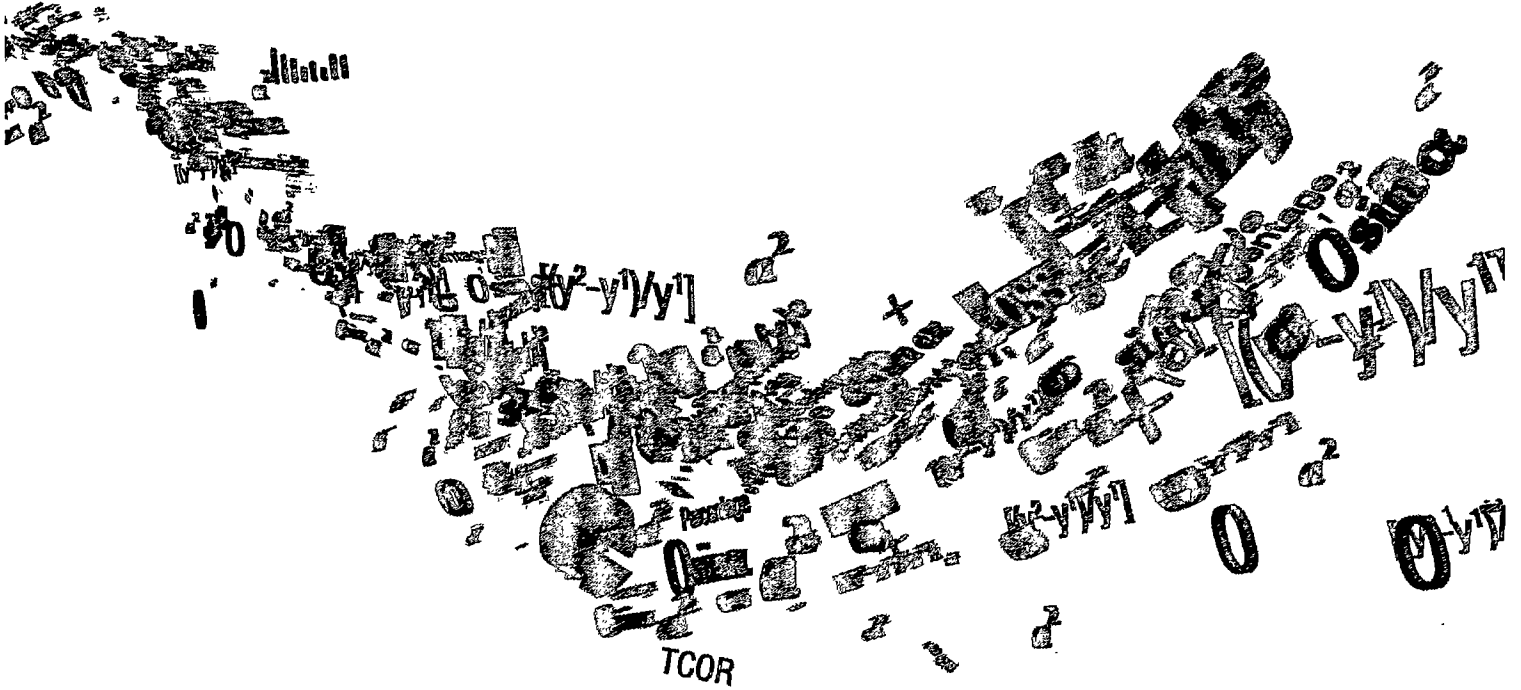
21 h. Submit a schedule showing any deferred income and consultant fee to corporate officers or employees.

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	6	\$423,003	\$34,880
Columbia	2	\$91,949	\$91,949

^{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 Valuation Reports are attached.



Actuarial Valuation Report

NiSource Inc.

NiSource Pension Plan

Accounting Information Under ASC Topic 715

As of December 31, 2013

Introduction

This report documents the results of the December 31, 2013 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 2014 fiscal year
- Information relating to company and plan 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

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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 2015

¹ Aon Consulting, Inc. and Hewitt Associates LLC are Aon Hewitt companies.

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Accounting Requirements

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Fair Value of Assets

Fair Value of Assets, January 1, 2013	\$ 1,225,543,404
Cash Contributions, Year Ended December 31, 2013	240,000
Benefit Payments, Year Ended December 31, 2013	(110,343,909)
Investment Return, Net of Expenses, Year Ended December 31, 2013	<u>166,992,835</u>
Fair Value of Assets, December 31, 2013	\$ 1,282,432,330

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ASC 715 Pension Cost/(Income)

	Fiscal 2013	Fiscal 2014
Service Cost	\$ 17,956,731	\$ 16,866,471
Interest Cost	\$ 56,270,394	\$ 61,983,356
Expected Return on Assets	\$ (96,517,663)	\$ (102,582,383)
Amortization of:		
Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost	2,013,695	1,868,080
Net (Gain)/Loss	<u>41,046,678</u>	<u>24,472,830</u>
Total	\$ 43,060,373	\$ 26,340,910
Net Periodic Pension Cost/(Income)	\$ 20,769,835	\$ 2,608,354
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 20,769,835	\$ 2,608,354
Key Assumptions		
Discount Rate	3.83%	4.62%
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		\$ 119,500,000
Expected Contributions		\$ 30,000,000
Market-Related Value of Assets		\$ 1,282,432,330
Average Remaining Service		11.97 years

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Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2012	Disclosed December 31, 2013
Accumulated Benefit Obligation	\$ (1,513,310,890)	\$ (1,385,440,046)
Projected Benefit Obligation	\$ (1,532,100,902)	\$ (1,401,381,087)
Fair Value of Assets	<u>1,225,543,404</u>	<u>1,282,432,330</u>
Funded Status	\$ (306,557,498)	\$ (118,948,757)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	0	0
Prior Service Cost	6,326,934	4,313,239
Net (Gain)/Loss	<u>639,202,763</u>	<u>433,077,882</u>
Asset/(Liability) Recognized in Retained Earnings	\$ 338,972,199	\$ 318,442,364
Accumulated Other Comprehensive Income	\$ 645,529,697	\$ 437,391,121
Recognized Asset/(Liability)	\$ (306,557,498)	\$ (118,948,757)

Asset/(Liability) Recognized in Retained Earnings

	Fiscal 2013
Asset/(Liability) Recognized in Retained Earnings, January 1, 2013	\$ 338,972,199
Fiscal 2013 Pension (Cost)/Income	(20,769,835)
Contributions During Fiscal 2013	<u>240,000</u>
Asset/(Liability) Recognized in Retained Earnings, January 1, 2014	\$ 318,442,364

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, 2014
Unamortized Net (Gain)/Loss	\$ 433,077,882
Fair Value of Plan Assets	1,282,432,330
Market-Related Value of Assets (MRVA)	<u>(1,282,432,330)</u>
Net (Gain)/Loss Subject to Corridor	\$ 433,077,882
Projected Benefit Obligation (PBO)	\$ 1,401,381,087
(Gain)/Loss Corridor, 10% of Greater of PBO or MRVA	\$ 140,138,109
Net (Gain)/Loss Subject to Amortization	\$ 292,939,773
Average Remaining Service	11.97 Years
Amortization of Net (Gain)/Loss	\$ 24,472,830

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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, 2014	Outstanding Balance
NiSource Amendment	10/1/2003	\$ 95,191	0.75	\$ 95,191
NiSource Amendment	10/1/2003	341,660	0.75	341,660
Subsidiary Amendment	10/1/2003	2,297	1.75	4,017
NiSource Amendment	10/1/2004	906,796	1.75	1,586,897
NiSource Amendment	10/1/2005	297,819	2.75	818,998
NiSource Amendment	10/1/2006	29,585	3.75	110,948
Subsidiary Amendment	10/1/2006	149	4.78	713
NiSource Amendment	1/1/2008	3,776	4.58	17,293
Subsidiary Amendment	1/1/2008	4,969	5.53	27,477
Kokomo Union Amendment	1/1/2010	34	8.15	275
NiSource Amendment	1/1/2010	176,684	6.95	1,227,959
Subsidiary Amendment	1/1/2012	9,120	8.97	81,811
Total		\$ 1,868,080		\$ 4,313,239

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ASC 715 Disclosure

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

	Fiscal 2012	Fiscal 2013
Accumulated Benefit Obligation, End of Year	\$ 1,513,310,890	\$ 1,385,440,046
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 1,457,620,080	\$ 1,532,100,902
Service Cost	16,459,707	17,956,731
Interest Cost	64,320,194	56,270,394
Plan Amendments	0	0
Actuarial (Gain)/Loss	91,611,742	(94,603,031)
Plan Participant Contributions	0	0
Actual Benefits Paid	(97,910,821)	(110,343,909)
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 1,532,100,902	\$ 1,401,381,087
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 1,174,812,524	\$ 1,225,543,404
Actual Return on Plan Assets	147,831,701	166,992,835
Employer Contributions	810,000	240,000
Plan Participant Contributions	0	0
Actual Benefits Paid	(97,910,821)	(110,343,909)
Fair Value of Plan Assets, End of Year	\$ 1,225,543,404	\$ 1,282,432,330
Funded Status of the Plan	\$ (306,557,498)	\$ (118,948,757)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(306,557,498)	(118,948,757)
Net Asset/(Liability) at End of Year	\$ (306,557,498)	\$ (118,948,757)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost/(Credit)	6,326,934	4,313,239
Net Actuarial (Gain)/Loss	639,202,763	433,077,882
Total	\$ 645,529,697	\$ 437,391,121

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ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Components of Net Periodic Benefit Cost		
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/(Credit)	2,013,695	2,013,695
Net (Gain)/Loss	<u>44,602,267</u>	<u>41,046,678</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 34,812,888	\$ 20,769,835
Settlement/Curtailment Expense/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Expense/(Income)	\$ 34,812,888	\$ 20,769,835

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

Net Actuarial (Gain)/Loss	\$ 36,363,016	\$ (165,078,203)
Prior Service Cost/(Credit)	0	0
Amortization of:		
Transition Asset/(Obligation)	0	0
Prior Service (Cost)/Credit	(2,013,695)	(2,013,695)
Actuarial Gain/(Loss)	<u>(44,602,267)</u>	<u>(41,046,678)</u>
Total Recognized in Other Comprehensive Income	\$ (10,252,946)	\$ (208,138,576)

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)	\$ 1,868,080
Net Actuarial (Gain)/Loss	\$ 24,472,830

ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	3.83%	4.62%
Rate of Compensation Increase	4.00%	4.00%
Measurement Date	December 31, 2012	December 31, 2013
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	4.60%	3.83%
Expected Long-Term Rate of Return	8.30%	8.30%
Rate of Compensation Increase	4.00%	4.00%
Estimated Future Benefit Payments		
2013 (2014) Payouts	\$ 125,800,000	\$ 119,500,000
2014 (2015) Payouts	\$ 124,450,000	\$ 119,350,000
2015 (2016) Payouts	\$ 118,400,000	\$ 119,650,000
2016 (2017) Payouts	\$ 117,750,000	\$ 118,450,000
2017 (2018) Payouts	\$ 114,600,000	\$ 115,650,000
2018 (2019) Payouts to 2022 (2023)	\$ 507,800,000	\$ 527,750,000
Expected Fiscal Year 2013 (2014) Contributions	\$ 240,000	\$ 30,000,000

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.

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Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2013. 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, 2012	January 1, 2013
Active Participants		
Number	3,312	3,332
Average Age	46.1	46.1
Average Service	15.6	15.4
Average Pay	\$ 83,052	\$ 88,101
Total Payroll	\$ 275,065,908	\$ 293,553,304
Inactives With Deferred Benefits		
Number	848	862
Average Current Age	53.2	52.9
Average Monthly Benefit ¹	\$ 716	\$ 735
Inactives Receiving Payment		
Number	4,133	4,141
Average Current Age	71.8	72.3
Average Monthly Benefit	\$ 1,553	\$ 1,624
Total Participants		
Number	8,293	8,335

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	4.62%
Columbia	4.34%
Bay State Nonunion	4.28%
Bay State Union	4.39%
Expected long-term rate of return on assets	8.30% for 2013 expense
Expected rate of future compensation increases	See Table 1
Account balance interest crediting rate	4.00%
Account balance annuity conversion rate	3.38% for January 1, 2014 conversions 4.00% for future conversions
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	2.50%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	2.50%
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 Plan	See Table 3
Columbia & Bay State Nonunion Plans	See Table 4
Bay State Union Plan	See Table 5
Terminated vested participants	
Final average pay participants	See Table 6
Account balance participants	See Table 7
Mortality rates	
Healthy lives	RP-2000 combined healthy fully generational mortality table using Scale AA
Disabled lives	RP-2000 disabled mortality table

For ASC 715 Requirements

Withdrawal rates	
Nonunion participants	See Table 8
Union participants	See Table 9
Disability rates	See Table 10
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 \$205,000 and the 401(a)(17) compensation limit of \$255,000.
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 3.83% to 4.62%.
- A change in retirement rates for active account balance participants and terminated vested participants to better reflect plan experience.
- A change in termination rates for Nonunion participants to better reflect plan experience.
- A change in the Social Security COLA increase rate, IRC section 415 benefit limit increase rate, and IRC section 401(a)(17) compensation limit increase rate from 3.00% to 2.50%.

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:	100% lump sum
	50% life annuity	
	50% joint and 50% survivor annuity	
	Union:	
Columbia	50% life annuity	100% lump sum
	50% joint and 50% survivor annuity with pop-up	
Bay State Nonunion, Bay State Union and Kokomo Union plans	20% life annuity	100% lump sum
	80% lump sum	
Subsidiary	30% life annuity	100% lump sum
	70% lump sum	
Subsidiary	50% life annuity	100% lump sum
	50% joint and 50% survivor annuity	

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Table 3
Retirement Rates—NiSource Plan (Including former Subsidiary and Kokomo Union)

Age	<u>Final Average Pay</u> <u>Participants¹</u>		<u>Account Balance</u> <u>Participants</u>	
	<25 Years	25+ Years	Union	Nonunion
55	5.00%	5.00%	2.00%	5.00%
56	5.00%	5.00%	2.00%	5.00%
57	5.00%	5.00%	2.00%	5.00%
58	5.00%	5.00%	2.00%	10.00%
59	5.00%	5.00%	2.00%	10.00%
60	5.00%	30.00%	10.00%	20.00%
61	5.00%	30.00%	10.00%	20.00%
62	25.00%	30.00%	15.00%	30.00%
63	10.00%	30.00%	15.00%	30.00%
64	10.00%	30.00%	15.00%	30.00%
65	50.00%	50.00%	35.00%	35.00%
66	50.00%	50.00%	35.00%	35.00%
67	50.00%	50.00%	35.00%	35.00%
68	50.00%	50.00%	35.00%	35.00%
69	50.00%	50.00%	35.00%	35.00%
70+	100.00%	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.

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Table 4
Retirement Rates—Columbia and Bay State Nonunion Plans

Age	Rate
55	2.00%
56	2.00%
57	2.00%
58	2.00%
59	2.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70+	100.00%

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Table 5
Retirement Rates—Bay State Union Plan

Age	<u>Final Average Pay Participants</u>		Account Balance Participants
	<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%	10.00%
61	5.00%	30.00%	10.00%
62	25.00%	30.00%	15.00%
63	10.00%	30.00%	15.00%
64	10.00%	30.00%	15.00%
65	50.00%	50.00%	35.00%
66	100.00%	100.00%	35.00%
67	100.00%	100.00%	35.00%
68	100.00%	100.00%	35.00%
69	100.00%	100.00%	35.00%
70+	100.00%	100.00%	100.00%

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Table 6
Retirement Rates—Terminated Vested Final Average Pay Participants

Age	Plan			
	NiSource	Columbia	BSNU	BSU
≤54	0.00%	0.00%	5.00%	5.00%
55	15.00%	25.00%	5.00%	15.00%
56	5.00%	10.00%	5.00%	15.00%
57	5.00%	10.00%	5.00%	15.00%
58	5.00%	10.00%	5.00%	15.00%
59	5.00%	10.00%	5.00%	15.00%
60	5.00%	20.00%	5.00%	15.00%
61	5.00%	20.00%	5.00%	15.00%
62	10.00%	20.00%	15.00%	25.00%
63	10.00%	20.00%	15.00%	25.00%
64	50.00%	20.00%	15.00%	25.00%
65	100.00%	50.00%	50.00%	50.00%
66	100.00%	25.00%	25.00%	25.00%
67	100.00%	25.00%	25.00%	25.00%
68	100.00%	25.00%	25.00%	25.00%
69	100.00%	25.00%	25.00%	25.00%
70+	100.00%	100.00%	100.00%	100.00%

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Table 7
Retirement Rates—Terminated Vested Account Balance Participants

Age	<u>Years Since Termination</u>	
	<1 Year	1+ Years
≤59	30.00%	5.00%
60	30.00%	5.00%
61	30.00%	5.00%
62	30.00%	5.00%
63	30.00%	5.00%
64	30.00%	5.00%
65	30.00%	35.00%
66	30.00%	35.00%
67	30.00%	35.00%
68	30.00%	35.00%
69	30.00%	35.00%
70+	100.00%	100.00%

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Table 8
Withdrawal Rates—Nonunion Participants

Age	Years of Service			
	0	1	2	3+
≤34	12.00%	10.00%	8.00%	8.00%
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%

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Table 9
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%

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Table 10
 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 2014 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, 2014.

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 2014.

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.

Effective December 31, 2012, the NiSource Subsidiary Pension Plan ("Subsidiary Plan") and Kokomo Union Pension Plan ("Kokomo Union Plan") were merged into the NiSource Plan. All employees who were eligible to participate under the Subsidiary Plan and the Kokomo Union Plan now participate in the NiSource Plan. The amount and terms of the benefits provided under the former plans are unchanged.

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.

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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.

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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 I 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

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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

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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

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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 \$255,000 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 \$255,000 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

NiSource Pension Plan – Former NiSource Subsidiary Pension Plan (“Subsidiary Plan”)

Effective date	January 1, 1962, restated effective January 1, 2011. As of December 31, 2012, the Subsidiary Pension Plan was merged into the NiSource Pension Plan.
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.

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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.

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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.

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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.

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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

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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 \$255,000 based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including shift differential (for account balance 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 \$255,000 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

NiSource Pension Plan – Former Kokomo Union Pension Plan (“Kokomo Union Plan”)

Effective Date January 1, 1946, restated effective January 1, 2011. As of December 31, 2012, the Kokomo Union Pension Plan was merged into the NiSource Pension Plan.

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

Benefit
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.

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Early retirement

Eligibility

Age 55 and 24 years of vesting service, or age 60 and 10 years of vesting 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. 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

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 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

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 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

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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 \$255,000 based upon the provision of the IRC section 401(a)(17).

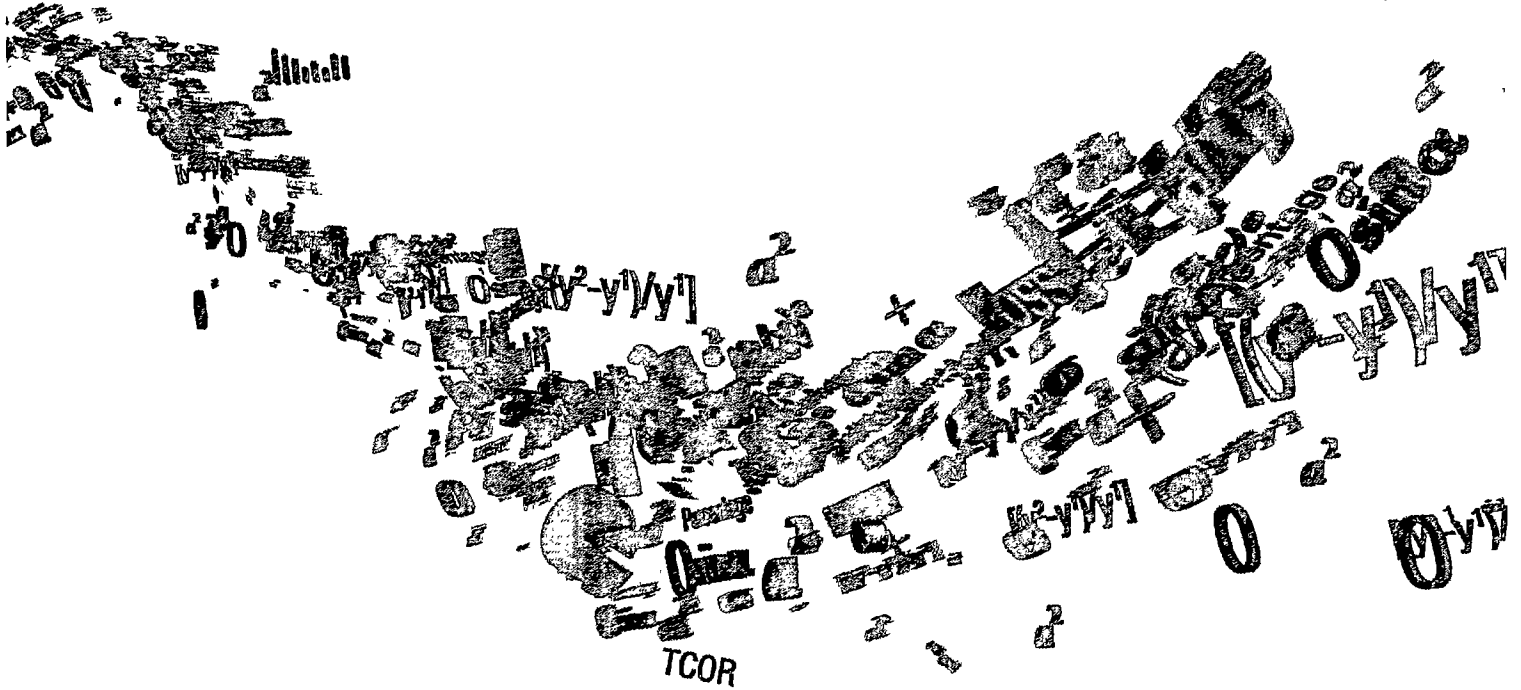
Account balance participants Base salary or wages including performance-based pay, commissions, and lump sum merit pay before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime, shift differentials, and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited to \$255,000 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 accounting valuation reflects the following plan changes:

- A change in 401(a)(17) maximum pay limit from \$250,000 to \$255,000.
- A change in the 415 maximum benefit limit from \$200,000 to \$205,000.



Actuarial Valuation Report

NiSource Inc.

Columbia Energy Group Pension Plan

Accounting Information Under ASC Topic 715

As of December 31, 2013

Introduction

This report documents the results of the December 31, 2013 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 2014 fiscal year
- Information relating to company and plan 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

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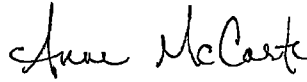
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the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part 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 2015

¹ Aon Consulting, Inc. and Hewitt Associates LLC are Aon Hewitt companies.

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Accounting Requirements

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Fair Value of Assets

Fair Value of Assets, January 1, 2013	\$	842,055,669
Cash Contributions, Year Ended December 31, 2013		35,000,000
Benefit Payments, Year Ended December 31, 2013		(108,228,576)
Investment Return, Net of Expenses, Year Ended December 31, 2013		<u>109,295,731</u>
Fair Value of Assets, December 31, 2013	\$	878,122,824

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ASC 715 Pension Cost/(Income)

	Fiscal 2013	Fiscal 2014
Service Cost	\$ 15,033,175	\$ 15,041,588
Interest Cost	\$ 36,661,584	\$ 40,091,123
Expected Return on Assets	\$ (63,904,136)	\$ (69,848,469)
Amortization of:		
Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost	(2,719,913)	(2,719,913)
Net (Gain)/Loss	<u>30,898,827</u>	<u>19,187,756</u>
Total	\$ 28,178,914	\$ 16,467,843
Net Periodic Pension Cost/(Income)	\$ 15,969,537	\$ 1,752,085
Settlement/Curtailment Cost/(Income)	<u>30,843,667</u>	<u>0</u>
Total Cost/(Income)	\$ 46,813,204	\$ 1,752,085
Key Assumptions		
Discount Rate ¹	3.36%	4.34%
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		\$ 73,150,000
Expected Contributions		\$ 0
Market-Related Value of Assets		\$ 878,122,824
Average Remaining Service		11.11 years

¹ The plan was measured using discount rates of 3.50% as of February 28, 2013, 3.75% as of May 31, 2013, and 4.25% as of August 31, 2013 due to settlements.

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Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2012	Disclosed December 31, 2013
Accumulated Benefit Obligation	\$(1,082,022,870)	\$ (960,333,588)
Projected Benefit Obligation	\$(1,082,022,870)	\$ (960,333,588)
Fair Value of Assets	<u>842,055,669</u>	<u>878,122,824</u>
Funded Status	\$ (239,967,201)	\$ (82,210,764)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	0	0
Prior Service Cost	(16,872,177)	(14,152,264)
Net (Gain)/Loss	<u>481,498,881</u>	<u>309,209,327</u>
Asset/(Liability) Recognized in Retained Earnings	\$ 224,659,503	\$ 212,846,299
Accumulated Other Comprehensive Income	\$ 464,626,704	\$ 295,057,063
Recognized Asset/(Liability)	\$ (239,967,201)	\$ (82,210,764)

Asset/(Liability) Recognized in Retained Earnings

	Fiscal 2013
Asset/(Liability) Recognized in Retained Earnings, January 1, 2013	\$ 224,659,503
Fiscal 2013 Pension (Cost)/Income	(46,813,204)
Contributions During Fiscal 2013	<u>35,000,000</u>
Asset/(Liability) Recognized in Retained Earnings, January 1, 2014	\$ 212,846,299

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, 2014
Unamortized Net (Gain)/Loss	\$ 309,209,327
Fair Value of Plan Assets	878,122,824
Market-Related Value of Assets (MRVA)	<u>(878,122,824)</u>
Net (Gain)/Loss Subject to Corridor	\$ 309,209,327
Projected Benefit Obligation (PBO)	\$ 960,333,588
(Gain)/Loss Corridor, 10% of Greater of PBO or MRVA	\$ 96,033,359
Net (Gain)/Loss Subject to Amortization	\$ 213,175,968
Average Remaining Service	11.11 Years
Amortization of Net (Gain)/Loss	\$ 19,187,756

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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)	4.75	\$ (8,272,578)
Amendment	1/1/2008	(978,382)	6.01	(5,880,073)
Amendment	1/1/2008	65	6.01	387
Total		<u>\$ (2,719,913)</u>		<u>\$ (14,152,264)</u>

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ASC 715 Disclosure

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

	Fiscal 2012	Fiscal 2013
Accumulated Benefit Obligation, End of Year	\$ 1,082,022,870	\$ 960,333,588
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 948,253,757	\$ 1,082,022,870
Service Cost	17,464,086	15,033,175
Interest Cost	41,791,173	36,661,584
Plan Amendments	0	0
Settlement (Gain)/Loss	0	7,566,760
Actuarial (Gain)/Loss	154,747,028	(72,722,225)
Plan Participant Contributions	0	0
Actual Benefits Paid	(80,233,174)	(108,228,576)
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	\$ 1,082,022,870	\$ 960,333,588
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 819,930,510	\$ 842,055,669
Actual Return on Plan Assets	102,358,333	109,295,731
Employer Contributions	0	35,000,000
Plan Participant Contributions	0	0
Actual Benefits Paid	(80,233,174)	(108,228,576)
Fair Value of Plan Assets, End of Year	\$ 842,055,669	\$ 878,122,824
Funded Status of the Plan	\$ (239,967,201)	\$ (82,210,764)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(239,967,201)	(82,210,764)
Net Asset/(Liability) at End of Year	\$ (239,967,201)	\$ (82,210,764)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 0	\$ 0
Prior Service Cost/(Credit)	(16,872,177)	(14,152,264)
Net Actuarial (Gain)/Loss	481,498,881	309,209,327
Total	\$ 464,626,704	\$ 295,057,063

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ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Components of Net Periodic Benefit Cost		
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/(Credit)	(2,719,913)	(2,719,913)
Net (Gain)/Loss	<u>31,672,130</u>	<u>30,898,827</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 23,452,494	\$ 15,969,537
Settlement/Curtailment Expense/(Income)	0	30,843,667
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Expense/(Income)	\$ 23,452,494	\$ 46,813,204

Other Changes in Plan Assets and Benefit Obligations Recognized In Other Comprehensive Income

Net Actuarial (Gain)/Loss	\$ 117,143,677	\$ (110,547,060)
Prior Service Cost/(Credit)	0	0
(Gain)/Loss Recognized in One-Time Charge	0	(30,843,667)
Amortization of:		
Transition Asset/(Obligation)	0	0
Prior Service (Cost)/Credit	2,719,913	2,719,913
Actuarial Gain/(Loss)	<u>(31,672,130)</u>	<u>(30,898,827)</u>
Total Recognized in Other Comprehensive Income	\$ 88,191,460	\$ (169,569,641)

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	\$ 19,187,756

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ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	3.36%	4.34%
Rate of Compensation Increase	4.00%	4.00%
Measurement Date	December 31, 2012	December 31, 2013
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate ¹	4.60%	3.36%
Expected Long-Term Rate of Return	8.30%	8.30%
Rate of Compensation Increase	4.00%	4.00%
Estimated Future Benefit Payments		
2012 (2013) Payouts	\$ 87,450,000	\$ 73,150,000
2013 (2014) Payouts	\$ 89,950,000	\$ 73,350,000
2014 (2015) Payouts	\$ 91,200,000	\$ 79,850,000
2015 (2016) Payouts	\$ 99,450,000	\$ 81,050,000
2016 (2017) Payouts	\$ 101,450,000	\$ 85,350,000
2017 (2018) Payouts to 2021 (2022)	\$ 473,200,000	\$ 456,150,000
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.

¹ The plan was measured using discount rates of 3.50% as of February 28, 2013, 3.75% as of May 31, 2013, and 4.25% as of August 31, 2013 due to settlements.

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Appendix

Participant Data

The actuarial valuation was based on personnel information from NiSource Inc. records as of January 1, 2013. 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, 2012	January 1, 2013
Active Participants		
Number	3,834	3,741
Average Age	48.4	48.0
Average Service	19.9	19.1
Average Pay	\$ 71,235	\$ 77,343
Total Payroll	\$ 273,116,389	\$ 289,339,133
Inactives With Deferred Benefits		
Number	2,661	2,698
Average Current Age	52.3	53.1
Average Monthly Benefit ¹	\$ 581	\$ 650
Inactives Receiving Payment		
Number	3,606	3,482
Average Current Age	78.0	78.2
Average Monthly Benefit	\$ 759	\$ 772
Total Participants		
Number	10,101	9,921

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	4.62%
Columbia	4.34%
Bay State Nonunion	4.28%
Bay State Union	4.39%
Expected long-term rate of return on assets	8.30% for 2013 expense
Expected rate of future compensation increases	See Table 1
Account balance interest crediting rate	4.00%
Account balance annuity conversion rate	3.38% for January 1, 2014 conversions 4.00% for future conversions
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	2.50%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	2.50%
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 Plan	See Table 3
Columbia & Bay State Nonunion Plans	See Table 4
Bay State Union Plan	See Table 5
Terminated vested participants	
Final average pay participants	See Table 6
Account balance participants	See Table 7

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 8
Union participants	See Table 9
Disability rates	See Table 10
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 \$205,000 and the 401(a)(17) compensation limit of \$255,000.
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 3.36% to 4.34%.
- A change in retirement rates for active account balance participants and terminated vested participants to better reflect plan experience.
- A change in termination rates for Nonunion participants to better reflect plan experience.
- A change in the Social Security COLA increase rate, IRC section 415 benefit limit increase rate, and IRC section 401(a)(17) compensation limit increase rate from 3.00% to 2.50%.

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:	100% lump sum
	50% life annuity	
	50% joint and 50% survivor annuity	
	Union:	
Columbia	50% life annuity	100% lump sum
	50% joint and 50% survivor annuity with pop-up	
	20% life annuity	
	80% lump sum	
Bay State Nonunion, Bay State Union and Kokomo Union plans	30% life annuity	100% lump sum
	70% lump sum	
Subsidiary	50% life annuity	100% lump sum
	50% joint and 50% survivor annuity	

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Table 3
Retirement Rates—NiSource Plan (Including former Subsidiary and Kokomo Union)

Age	<u>Final Average Pay</u> <u>Participants¹</u>		<u>Account Balance</u> <u>Participants</u>	
	<25 Years	25+ Years	Union	Nonunion
55	5.00%	5.00%	2.00%	5.00%
56	5.00%	5.00%	2.00%	5.00%
57	5.00%	5.00%	2.00%	5.00%
58	5.00%	5.00%	2.00%	10.00%
59	5.00%	5.00%	2.00%	10.00%
60	5.00%	30.00%	10.00%	20.00%
61	5.00%	30.00%	10.00%	20.00%
62	25.00%	30.00%	15.00%	30.00%
63	10.00%	30.00%	15.00%	30.00%
64	10.00%	30.00%	15.00%	30.00%
65	50.00%	50.00%	35.00%	35.00%
66	50.00%	50.00%	35.00%	35.00%
67	50.00%	50.00%	35.00%	35.00%
68	50.00%	50.00%	35.00%	35.00%
69	50.00%	50.00%	35.00%	35.00%
70+	100.00%	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.

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Table 4
Retirement Rates—Columbia and Bay State Nonunion Plans

Age	Rate
55	2.00%
56	2.00%
57	2.00%
58	2.00%
59	2.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70+	100.00%

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Table 5
Retirement Rates—Bay State Union Plan

Age	<u>Final Average Pay Participants</u>		Account Balance Participants
	<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%	10.00%
61	5.00%	30.00%	10.00%
62	25.00%	30.00%	15.00%
63	10.00%	30.00%	15.00%
64	10.00%	30.00%	15.00%
65	50.00%	50.00%	35.00%
66	100.00%	100.00%	35.00%
67	100.00%	100.00%	35.00%
68	100.00%	100.00%	35.00%
69	100.00%	100.00%	35.00%
70+	100.00%	100.00%	100.00%

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Table 6
Retirement Rates—Terminated Vested Final Average Pay Participants

Age	Plan			
	NiSource	Columbia	BSNU	BSU
≤54	0.00%	0.00%	5.00%	5.00%
55	15.00%	25.00%	5.00%	15.00%
56	5.00%	10.00%	5.00%	15.00%
57	5.00%	10.00%	5.00%	15.00%
58	5.00%	10.00%	5.00%	15.00%
59	5.00%	10.00%	5.00%	15.00%
60	5.00%	20.00%	5.00%	15.00%
61	5.00%	20.00%	5.00%	15.00%
62	10.00%	20.00%	15.00%	25.00%
63	10.00%	20.00%	15.00%	25.00%
64	50.00%	20.00%	15.00%	25.00%
65	100.00%	50.00%	50.00%	50.00%
66	100.00%	25.00%	25.00%	25.00%
67	100.00%	25.00%	25.00%	25.00%
68	100.00%	25.00%	25.00%	25.00%
69	100.00%	25.00%	25.00%	25.00%
70+	100.00%	100.00%	100.00%	100.00%

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Table 7
Retirement Rates—Terminated Vested Account Balance Participants

Age	Years Since Termination	
	<1 Year	1+ Years
≤59	30.00%	5.00%
60	30.00%	5.00%
61	30.00%	5.00%
62	30.00%	5.00%
63	30.00%	5.00%
64	30.00%	5.00%
65	30.00%	35.00%
66	30.00%	35.00%
67	30.00%	35.00%
68	30.00%	35.00%
69	30.00%	35.00%
70+	100.00%	100.00%

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Table 8
Withdrawal Rates—Nonunion Participants

Age	Years of Service			
	0	1	2	3+
≤34	12.00%	10.00%	8.00%	8.00%
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%

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Table 9
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%

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Table 10
 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 2014 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, 2014.

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 2014.

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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.

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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.

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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.).

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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 \$255,000 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

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Plan Changes Since the Prior Year

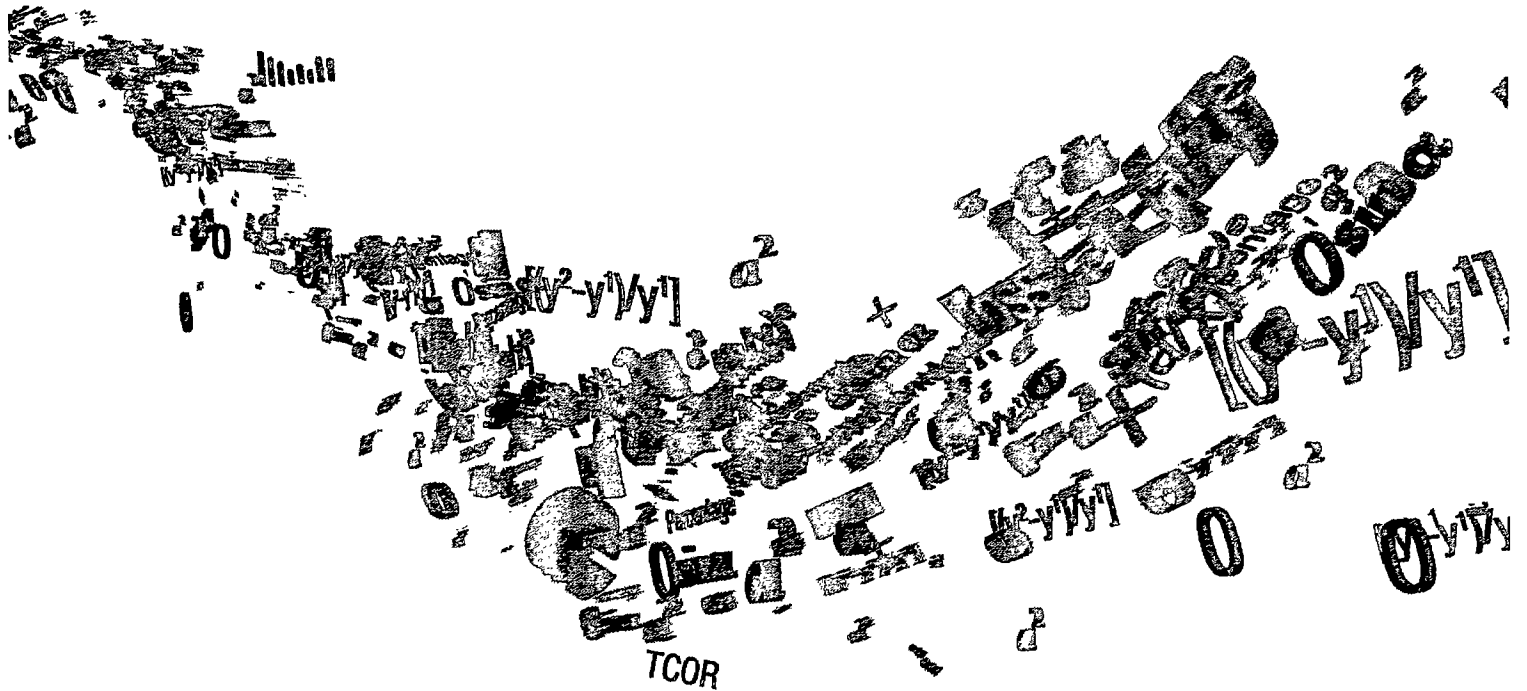
The accounting valuation reflects the following plan changes:

- A change in 401(a)(17) maximum pay limit from \$250,000 to \$255,000.
- A change in the 415 maximum benefit limit from \$200,000 to \$205,000.

Columbia Gas of Pennsylvania employees participate in Pre-65, Post-65 and All Other Life postretirement benefit plans. Copies of the Actuarial Valuation Reports are attached.

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Actuarial Valuation Report

NiSource Inc.

Pre-65 Medical Benefits

Accounting Information Under ASC Topic 715

As of December 31, 2013

Introduction

This report documents the results of the December 31, 2013 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 2014 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.

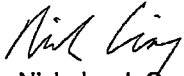
The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render

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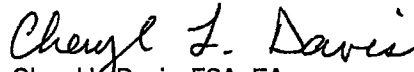
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the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

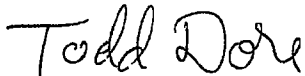
To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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May 2015

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, 2013	\$	139,428,709
Cash Contributions, Year Ended December 31, 2013		21,507,619
Net Benefit Payments, Year Ended December 31, 2013		(25,170,370)
ACE Merger		3,020,451
Investment Return, Net of Expenses, Year Ended December 31, 2013		<u>26,314,459</u>
Fair Value of Assets, December 31, 2013	\$	165,100,868

ASC 715 Postretirement Welfare Benefit Cost/(Income)

	Fiscal 2013	Fiscal 2014 ¹
Service Cost	\$ 6,574,782	\$ 4,782,400
Interest Cost	\$ 8,402,004	\$ 7,255,468
Expected Return on Assets	\$ (11,123,157)	\$ (13,364,748)
Amortization of:		
Transition (Asset)/Obligation	\$ 116,294	\$ 0
Prior Service Cost	(566,298)	(1,791,400)
Net (Gain)/Loss	<u>2,852,583</u>	<u>0</u>
Total	\$ 2,402,579	\$ (1,791,400)
Net Periodic Postretirement Benefit cost/(Income)	\$ 6,256,208	\$ (3,118,280)
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 6,256,208	\$ (3,118,280)
Key Assumptions		
Discount Rate	3.31%	4.15% ²
Expected Long-Term Rate of Return	8.17%	8.17%
Health Care Trend Rates		
Trend for Next Year/Ultimate Trend	7.25%/5.00%	7.25%/4.50%
Year Ultimate Trend Reached	2018	2021
Additional Information³		
Assumed Expenses in Service Cost (if \$0, Rate of Return is Assumed Net of Expenses)		\$ 0
Expected Benefit Payments		\$ 26,232,639
Expected Contributions		\$ 19,588,600
Expected Retiree Drug Subsidy Reimbursement		\$ 0
Market-Related Value of Assets		\$165,100,868
Average Remaining Service		13.14 years

¹ Results reflect plan remeasurement at May 31, 2014 for NIPSO Union plan changes.

² Discount rate shown as of January 1, 2014 for expense from January 1, 2014 through May 31, 2014. Discount rate for expense from June 1, 2014 through December 31, 2014 was 3.42%.

³ Information shown as of the beginning of Fiscal 2014.

Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2012	Disclosed December 31, 2013
Accumulated Postretirement Benefit Obligation	\$ (267,545,798)	\$ (215,367,509)
Fair Value of Assets	<u>139,428,709</u>	<u>165,100,868</u>
Funded Status	\$ (128,117,089)	\$ (50,266,641)
Amounts Recognized in Accumulated Other Comprehensive Income:		
Net Transition (Asset)/Obligation	116,294	0
Prior Service Cost	(6,179,217)	(5,786,835)
Net (Gain)/Loss	<u>61,014,117</u>	<u>(1,861,008)</u>
Amount Recognized in Retained Earnings	(73,165,895)	\$ (57,914,484)
Accumulated Other Comprehensive Income	<u>54,951,194</u>	<u>(7,647,843)</u>
Recognized Asset/(Liability)	\$ (128,117,089)	\$ (50,266,641)

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, 2014 ¹
Unrecognized Net (Gain)/Loss	\$ 1,861,008
Fair Value of Plan Assets	165,100,868
Market-Related Value of Assets (MRVA)	<u>(165,100,868)</u>
Net (Gain)/Loss Subject to Corridor	\$ 1,861,008
Accumulated Postretirement Benefit Obligation (APBO)	\$ 215,367,509
(Gain)/Loss Corridor, 10% of Greater of APBO or MRVA	\$ 21,536,751
Net (Gain)/Loss Subject to Amortization	\$ 0
Average Remaining Service to Retirement	13.14 years
Amortization of Net (Gain)/Loss	\$ 0

¹ The Plan was remeasured at May 31, 2014. No additional (Gain)/Loss amortization resulted from the remeasurement.

Schedule of Other ASC 715 Amortization Amounts

The following tables summarize the amortization schedules for the Prior Service Cost and Net Transition.

Amortization Amounts of Prior Service Cost¹

Description	Amortization Amount	Years Remaining January 1, 2014	Outstanding Balance
NIPSCO	\$ (477,115)	5.79	\$ (2,762,496)
PPO Design Changes	(271,210)	10.51	(2,850,423)
Health Care Reform	99,098	12.54	1,242,724
ACE Merger	<u>(301,413)</u>	4.70	<u>(1,416,640)</u>
Total	\$ (950,640)		\$ (5,786,835)

¹ Results shown are as of January 1, 2014. The plan was remeasured at May 31, 2014. This resulted in a negative prior service cost base of (\$18,506,320) being created at May 31, 2014 for NIPSCO Union. This base caused an additional amortization charge of (\$840,760) for 2014.

ASC 715 Disclosure

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

	Fiscal 2012	Fiscal 2013
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 272,828,043	\$ 267,545,798
Service Cost	6,072,521	6,574,782
Interest Cost	12,996,455	8,402,004
Plan Amendments	(5,021,582)	1,242,724
ACE Merger	0	1,603,811
Actuarial (Gain)/Loss	8,461,326	(44,831,240)
Plan Participant Contributions	3,880,936	3,954,667
Actual Benefits Paid	(31,671,901)	(29,125,037)
Retiree Drug Subsidy Reimbursement	0	0
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	<u>\$ 267,545,798</u>	<u>\$ 215,367,509</u>
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 119,669,810	\$ 139,428,709
Actual Return on Plan Assets	17,367,148	26,314,459
ACE Merger	0	3,020,451
Employer Contributions	30,182,716	21,507,619
Plan Participant Contributions	3,880,936	3,954,667
Actual Benefits Paid	<u>(31,671,901)</u>	<u>(29,125,037)</u>
Fair Value of Plan Assets, End of Year	<u>\$ 139,428,709</u>	<u>\$ 165,100,868</u>
Funded Status of the Plan	\$ (128,117,089)	\$ (50,266,641)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	<u>(128,117,089)</u>	<u>(50,266,641)</u>
Net Asset/(Liability) at End of Year	<u>\$ (128,117,089)</u>	<u>\$ (50,266,641)</u>
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 116,294	\$ 0
Prior Service Cost/(Credit)	(6,179,217)	(5,786,835)
Net Actuarial (Gain)/Loss	<u>61,014,117</u>	<u>(1,861,008)</u>
Total	<u>\$ 54,951,194</u>	<u>\$ (7,647,843)</u>

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	Fiscal 2012	Fiscal 2013
Components of Net Periodic Benefit Cost		
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/(Credit)	103,195	(566,298)
Net (Gain)/Loss	<u>2,461,519</u>	<u>2,852,583</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 12,150,618	\$ 6,256,208
Settlement/Curtailment Cost/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Cost/(Income)	\$ 12,150,618	\$ 6,256,208

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

Net Actuarial (Gain)/Loss	\$ 823,323	\$ (60,022,542)
Prior Service Cost/(Credit)	(5,021,582)	(173,916)
Amortization of:		
Transition (Asset)/Obligation	(246,073)	(116,294)
Prior Service Cost/(Credit)	(103,195)	566,298
Actuarial (Gain)/Loss	<u>(2,461,519)</u>	<u>(2,852,583)</u>
Total Recognized in Other Comprehensive Income	\$ (7,009,046)	\$ (62,599,037)

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)	\$ (950,640)
Net Actuarial (Gain)/Loss	\$ 0

ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	3.31%	4.15%
Health care Trend Rates		
Trend for Next Year	7.25%	7.25%
Ultimate Trend Rate	5.00%	4.50%
Year Ultimate Trend Reached	2018	2021
Measurement Date	December 31, 2012	December 31, 2013
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	4.88%	3.31%
Expected Long-Term Rate of Return	8.16%	8.17%
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
Impact of a 1% Increase in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ 14,938,000	\$ 12,292,000
On Service Cost and Interest Cost for Year	\$ 1,369,000	\$ 1,268,000
Impact of a 1% Decrease in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ (13,253,000)	\$ (10,918,000)
On Service Cost and Interest Cost for Year	\$ (1,175,000)	\$ (1,079,000)

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Fiscal 2013

Estimated Gross Future Benefit Payments

2014 Payouts	\$	26,230,000
2015 Payouts	\$	24,200,000
2016 Payouts	\$	22,500,000
2017 Payouts	\$	20,860,000
2018 Payouts	\$	20,590,000
2019 to 2023 Payouts	\$	88,340,000

Estimated Future Retiree Drug Subsidy Reimbursements

2014 Payouts	\$	0
2015 Payouts	\$	0
2016 Payouts	\$	0
2017 Payouts	\$	0
2018 Payouts	\$	0
2019 to 2023 Payouts	\$	0

Estimated Net Future Benefit Payments

2014 Payouts	\$	26,230,000
2015 Payouts	\$	24,200,000
2016 Payouts	\$	22,500,000
2017 Payouts	\$	20,860,000
2018 Payouts	\$	20,590,000
2019 to 2023 Payouts	\$	88,340,000

Expected Fiscal Year 2014 Contributions \$ 19,588,600

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, 2013 and as of January 1, 2014. 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, 2013	January 1, 2014 ¹
Active participants		
Number	7,518	7,126
Average age	46.9	47.5
Average service	17.3	17.8
Inactive participants		
Retirees and surviving spouses	1,998	1,753
Average current age	61.7	61.7
Covered spouses	1,742	1,601
Average current age	60.2	60.3
Total participants		
Number	11,258	10,480

¹ Used for May 31, 2014 remeasurement.

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 PPO projections, 24 months of paid claim and enrollment data (January 2011 – December 2012) 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 2013.

For Pre-65 HD PPO projections, 12 months of completed incurred claims and enrollment data (January 2012 – December 2012) was used. The data was separated into one experience period (calendar year). The completed incurred claims were divided by enrollment. The per-employee claims were then trended to 2013.

For Post-65 projections, 24 months of paid claim and enrollment data (January 2011 – December 2012) 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 2013.

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.

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.

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Health Care Claims Development

2013 Health Care Claims

The annual per capita claim costs for 2013 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	8,859	9,873
Carelink Health Plans	7,744	10,168
Health America – Pittsburgh	6,375	8,427
Health New England HMO	5,925	8,946
High Deductible PPO 1	3,371	5,199
High Deductible PPO 2	2,865	4,601
Kaiser Permanente	6,397	7,969
Keystone Health Plan – Central	8,347	10,490
NIPSCO PPO	8,090	10,446
Optimum Choice	7,917	10,423
PPO	7,488	9,917
Southern Health HMO	7,528	10,498
Tufts HMO	7,375	10,509

	Post-65	Part D Reimbursement
Medicare Supplement - Flex	\$ 2,082	N/A
Medicare Supplement – NIPSCO	\$ 2,211	N/A
MAP	\$ 3,751	\$ 646
MAP (Medical Only)	\$ 1,333	N/A
BSG Med Supp Multi Union	\$ 2,065	N/A
BSG Med Supp	\$ 4,237	\$ 601
BSG Med Supp (Medical Only)	\$ 2,065	N/A
Medigap Supplement	\$ 4,176	\$ 563
Keystone Health Plan - Central	\$ 5,592	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	For expense from January 1, 2014 through May 31, 2014, the measurement date is December 31, 2013. For expense from June 1, 2014 through December 31, 2014, the measurement date is May 31, 2014.
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	For expense from January 1, 2014 through May 31, 2014, the data is as of January 1, 2013 and the liabilities have been rolled forward to the measurement date. For expense from June 1, 2014 through December 31, 2014, the data is as of January 1, 2014 and the liabilities have been rolled forward to the measurement date.
Discount rate	
Pre-65 Medical	4.15%: Expense from January 1, 2014 to May 31, 2014 3.42%: Expense from June 1, 2014 to December 31, 2014
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 See Table 1
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 2
Nonunion participants	See Table 3
Disability rates	Rates not used. Only current disabled employees have been included
Retirement age	Based on pension plan participation as follows:
NiSource (Including former Subsidiary and Kokomo Union)	See Table 4
Columbia and Bay State Nonunion Plans	See Table 5
Bay State Union Plan	See Table 6
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	
	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, 828B13, 828B14, 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, 828B13, 828B14, 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, 2013. 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 2.5%.

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

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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 3.31% to 4.15% as of December 31, 2013 and 3.42% as of May 31, 2014.
- A change in retirement rates for account balance participants to better reflect anticipated experience.
- A change in the health care trend rates from 7.75% in 2012 grading down to 5.00% in 2018 to 7.63% pre-65 and 7.20% post-65 in 2013 grading down to 4.50% in 2021.
- A change in the long-term annual CPI assumption used to develop the excise tax impact of health care reform from 3.0% to 2.5%.

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Table 1
2013 Trend Rates

Year	Pre-65	Post-65
2013	7.63%	7.20%
2014	7.25%	7.00%
2015	6.75%	6.50%
2016	6.38%	6.30%
2017	6.00%	6.10%
2018	5.50%	5.60%
2019	5.13%	5.30%
2020	4.63%	4.80%
2021+	4.50%	4.50%

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Table 2
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%

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Table 3
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%

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Table 4
Retirement Rates—NiSource Plan (Including former Subsidiary and Kokomo Union)

Age	<u>Final Average Pay</u> <u>Participants¹</u>		<u>Account Balance</u> <u>Participants</u>	
	<25 Years	25+ Years	Union	Nonunion
55	5.00%	5.00%	2.00%	5.00%
56	5.00%	5.00%	2.00%	5.00%
57	5.00%	5.00%	2.00%	5.00%
58	5.00%	5.00%	2.00%	10.00%
59	5.00%	5.00%	2.00%	10.00%
60	5.00%	30.00%	10.00%	20.00%
61	5.00%	30.00%	10.00%	20.00%
62	25.00%	30.00%	15.00%	30.00%
63	10.00%	30.00%	15.00%	30.00%
64	10.00%	30.00%	15.00%	30.00%
65	50.00%	50.00%	35.00%	35.00%
66	50.00%	50.00%	35.00%	35.00%
67	50.00%	50.00%	35.00%	35.00%
68	50.00%	50.00%	35.00%	35.00%
69	50.00%	50.00%	35.00%	35.00%
70+	100.00%	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 5
Retirement Rates—Columbia plan and Bay State Nonunion Plan

Age	All Participants
55	2.00%
56	2.00%
57	2.00%
58	2.00%
59	2.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70+	100.00%

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Table 6
Retirement Rates—Bay State Union Plan

Age	<u>Final Average Pay Participants</u>		Account Balance Participants
	<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%	10.00%
61	5.00%	30.00%	10.00%
62	25.00%	30.00%	15.00%
63	10.00%	30.00%	15.00%
64	10.00%	30.00%	15.00%
65	50.00%	50.00%	35.00%
66	100.00%	100.00%	35.00%
67	100.00%	100.00%	35.00%
68	100.00%	100.00%	35.00%
69	100.00%	100.00%	35.00%
70+	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 2014 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, 2014.

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 2014.

Plan Provisions

Summary of Pre-65 Medical Plan Provisions

This section highlights the key pre-65 medical plan provisions reflected in the May 31, 2014 remeasurement.

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 Nonunion 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.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101	All Nonunion Exempt FT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt FT retired on or after 02/01/2004 and hired before 01/01/2013	Nonunion 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 FT retired on or before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 Tufts HMO	80% of "You Only" premium and 50% of premium for all other tiers until age 60, then 100% of premium (all active/pre65 blended) HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101B	Bay State Nonunion FT 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	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101C	Bay State Nonunion FT retired between 01/01/2002 and 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), 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 FT retired before 01/01/1993	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101E	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium

¹ HD PPO 1 subject to 2014 minimum monthly contributions of \$50/\$75/\$75/\$100; HD PPO 2 subject to 2014 minimum monthly contributions of \$5/\$10/\$10/\$15

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101F	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	Nonunion 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 FT—2002 ERWVSP Age 50–52 (Salary continuation)	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
101H	Columbia Nonunion FT—2002 ERWVSP Group Age 53–55, retired on or after 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101I	Kokomo Nonunion FT retired before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101J	Kokomo Nonunion FT retired between 01/01/2002 and 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101K	NiSource Nonunion FT retired on or before 02/01/1997	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs) HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹

¹ HD PPO 1 subject to 2014 minimum monthly contributions of \$50/\$75/\$75/\$100; HD PPO 2 subject to 2014 minimum monthly contributions of \$5/\$10/\$10/\$15.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101L	NISource Nonunion FT retired after 02/01/1997 and before 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
101M	NIFL FT retired before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Retiree pays same contribution as nonexempt nonunion actives
101N	NIFL FT retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Retiree pays same contribution as nonexempt nonunion actives
101O	NIFL FT retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), 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 PT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt PT retired on or after 02/01/2004 and hired before 01/01/2013	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	Nonunion 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 2014 minimum monthly contributions of \$50/\$75/\$75/\$100; HD PPO 2 subject to 2014 minimum monthly contributions of \$5/\$10/\$10/\$15.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
104	All Nonunion Exempt FT retired on or after 02/01/2006 but hired before 01/01/2010	Nonunion 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 PT retired on or after 02/01/2006 but hired before 01/01/2010	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
132	Special 4th Quarter FT VSP retired before 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
221	NIPSCO Union FT 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 FT hired before 06/01/2004 but retiring on or after 01/01/2005 and before 01/01/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	77% of active/pre-65 premium ² HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹
221Y14	NIPSCO Union FT retired before 01/01/2017, but hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	70% of active/pre-65 premium ² HD PPO subsidy is same as PPO subsidy with minimum retiree contribution ¹

¹ HD PPO 1 subject to 2014 minimum monthly contributions of \$50/\$75/\$75/\$100; HD PPO 2 subject to 2014 minimum monthly contributions of \$5/\$10/\$10/\$15.

² Retirees on or after 1/1/2015 can choose the Defined Dollar subsidy. If they choose the Defined Dollar subsidy and elect an HD PPO, they will also receive a one-time HSA contribution of \$1,500.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
226	NIPSCO Union FT hired on or after 06/01/2009 or hired before 06/01/2009 and retiring on or after 1/1/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar ¹ \$180 x service retiree, increases to \$190 x service effective 01/01/2017, and to \$225 x service effective 01/01/2019 \$125 x service spouse, increases to \$135 x service effective 01/01/2017, and to \$170 x service effective 01/01/2019
321	NIFL Union FT retired on or after 01/01/2006 but before 01/01/2012	PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse
321Y12	NIFL Union FT retired on or after 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar ² \$180 x service retiree, increases to \$190 x service effective 01/01/2017, and to \$225 x service effective 01/01/2019 \$125 x service spouse, increases to \$135 x service effective 01/01/2017, and to \$170 x service effective 01/01/2019
621	CEG Union FT 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
621A	CEG Union FT retired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium

¹ Employees who retire in 2017 or 2018 and elect an HD PPO will receive a one-time HSA contribution of \$1,500; \$1,200 for retirements in 2019.

² Employees who retire in 2015-2018 and elect an HD PPO will receive a one-time HSA contribution of \$1,500; \$1,200 for retirements in 2019.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
621B	CEG Union FT 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 FT 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 FT—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 FT—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 PT 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
622C	CEG Union PT 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
721Y05	Kokomo Union FT Outside (majority) retired after 01/01/2005 but before 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse

¹ HD PPO 1 subject to 2014 minimum monthly contributions of \$50/\$75/\$75/\$100; HD PPO 2 subject to 2014 minimum monthly contributions of \$5/\$10/\$10/\$15.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
721Y12	Kokomo Union FT retired on or after 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar ¹ \$180 x service retiree, increases to \$190 x service effective 01/01/2017, and to \$225 x service effective 01/01/2019 \$125 x service spouse, increases to \$135 x service effective 01/01/2017, and to \$170 x service effective 01/01/2019
821	Bay State Union Brockton Physical FT hired before 01/01/2013 and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
821A	Bay State Union Brockton Physical FT hired before 03/01/1991 and age 45 on 09/01/1991	PPO HD PPO 1 HD PPO 2 Tufts HMO	100% of premium
822	Bay State Union Brockton C/T FT and hired before 06/01/2013 and retired before 05/01/2013 and does not meet requirements of 822A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
822A	Bay State Union Brockton C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	PPO HD PPO 1 HD PPO 2 Tufts HMO	100% of premium
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
823	Bay State Union Granite FT retired after 01/01/2004	COBRA Active Medical	None

¹ Employees who retire in 2015-2018 and elect an HD PPO will receive a one-time HSA contribution of \$1,500; \$1,200 for retirements in 2019.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
823A	Bay State Union Granite FT 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	100% of premium
824	Bay State Union Lawrence FT retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	COBRA Active Medical	None
824A	Bay State Union Lawrence FT 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 Tufts HMO	100% of premium
824Y13	Bay State Union Lawrence FT hired before 01/01/2013 retired on or after 01/01/2013	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
825	Bay State Union Northhampton FT hired after 06/18/1999 but before 01/01/2011	COBRA Active Medical	None
825A	Bay State Union Northhampton FT 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 FT 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 FT 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 FT retired after 01/01/2004 and does not meet requirements of 826A	COBRA Active Medical	None
826A	Bay State Union Portland FT hired before 04/01/1991 and age 45 by 04/01/1991	PPO HD PPO 1 HD PPO 2	100% of premium

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
827	Bay State Union Portsmouth FT hired after 06/04/1999	COBRA Active Medical	None
827A	Bay State Union Portsmouth FT hired before 06/04/1999 and age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2	100% of premium
827B	Bay State Union Portsmouth FT hired before 06/04/1999 and not age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2	Up to \$1,100 per month
828	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired before 05/15/2013	COBRA Active Medical	None
828A	Bay State Union Springfield Physical FT 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 FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired before 05/15/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
828B13	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired between 05/15/2013 and 12/31/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
828B14	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2014	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
828Y13	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired on or after 05/15/2013	COBRA Active Medical	None

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
829	Bay State Union Springfield C/T FT retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	COBRA Active Medical	None
829A	Bay State Union Springfield C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	100% of premium
829Y08	Bay State Union Springfield C/T FT 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 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired on or after 01/01/2011 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse

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Active Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
106	All Nonunion Exempt FT hired after 01/01/2010
107	All Nonunion Exempt PT hired after 01/01/2010
108	All Nonunion Non-Exempt FT hired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired on or after 01/01/2013
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF
623	CEG Union FT hired on or after 01/01/2013
624	CEG Union PT hired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Physical FT hired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired on or after 08/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton Physical PT hired before 01/01/2013
835	Bay State Union Northhampton FT hired on or after 01/01/2011
838	Bay State Union Springfield Physical FT hired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired on or after 01/01/2011
844	Bay State Union Brockton Physical PT hired on or after 01/01/2013
854	Bay State Union Lawrence FT hired on or after 01/01/2013

Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes as of December 31, 2013:

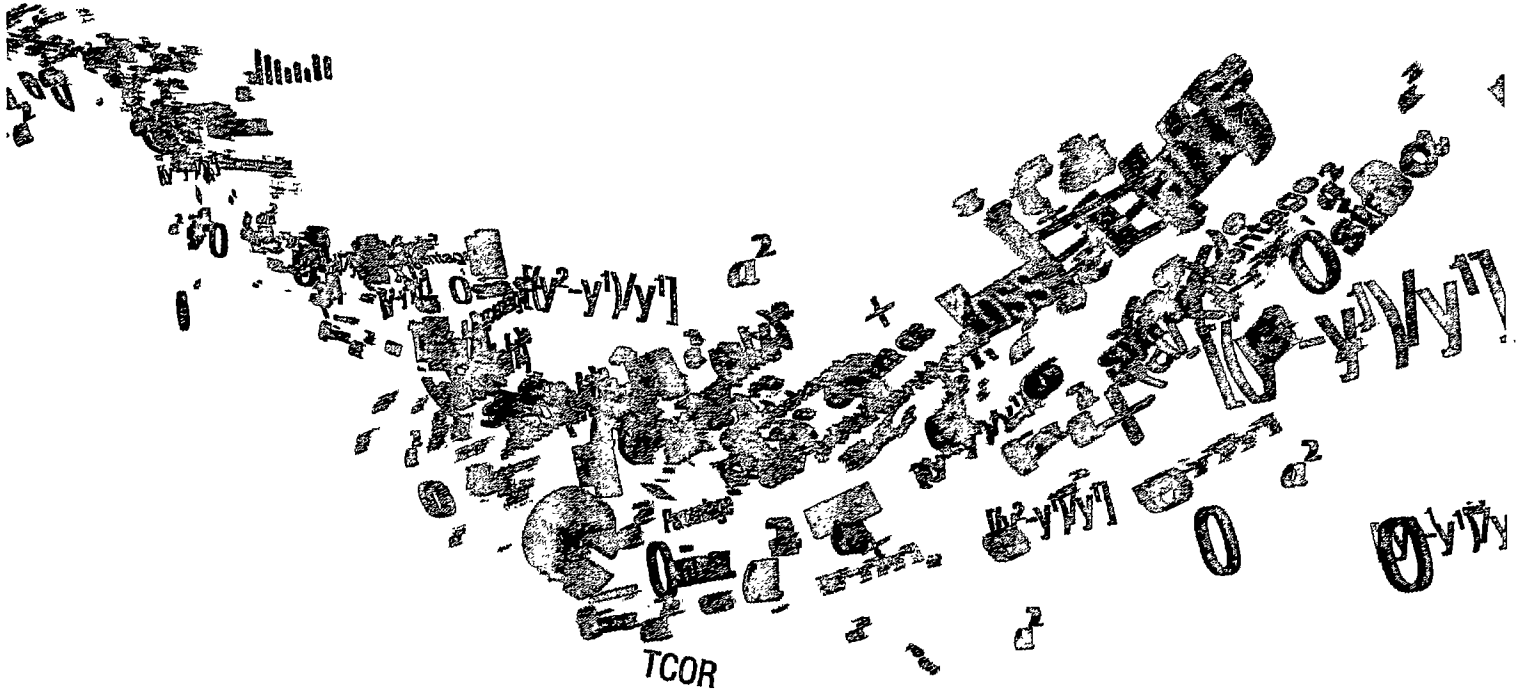
- 2014 and 2015 Health Care Reform employer mandates have been reflected.
- Post-65 drug coverage was eliminated for Brockton Clerical/Technical retirements after May 1, 2013.
- Post-65 drug coverage was eliminated for Springfield Operating retirements after January 1, 2014.
- NiSource assumed responsibility for retiree medical benefits due to certain retirees that had formerly been settled with ACE Insurance. The liabilities for those benefits were assumed in exchange for cash considerations.

The financial accounting valuation reflects the following plan changes as of May 31, 2014:

- Defined dollar cost sharing for retirements after January 1, 2017.
- Pre-65 defined dollar multipliers increase to \$190 x service for retirees and \$135 x service for spouses, effective January 1, 2017; additional increases to \$225 x service for retirees and \$170 x service for spouses, effective January 1, 2019.
- Post-65 defined dollar multipliers increase to \$65 x service for retirees and \$45 x service for spouses, effective January 1, 2017.
- Medicare Part D subsidy increased from \$35 per month to \$40 per month effective January 1, 2015 and is extended to employees who retired during 2005.
- Medicare Part B reimbursement increased from \$450 per year to \$475 per year effective January 1, 2015.
- Choice of defined dollar cost sharing or 23%/30% subsidy cost sharing for retirements between January 1, 2015 and January 1, 2017.
- One-time HSA contribution of \$1,500 to retirees during 2015-2018 who elect defined dollar and the HDPPPO; \$1,200 for retirements in 2019.

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Actuarial Valuation Report

NiSource Inc.

Post-65 Medical Benefits

Accounting Information Under ASC Topic 715

As of December 31, 2013

Introduction

This report documents the results of the December 31, 2013 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 2014 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.

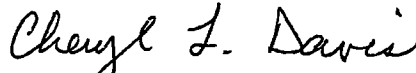
The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render

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.

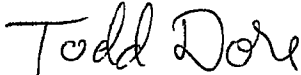
To our knowledge, no colleague of Aon Hewitt¹ providing services to NiSource Inc. has any material direct or indirect financial interest in NiSource Inc. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource Inc.



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May 2015

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, 2013	\$ 182,085,891
Cash Contributions, Year Ended December 31, 2013	16,503,930
Net Benefit payments, Year Ended December 31, 2013	(16,771,767)
ACE Merger	12,655,822
Investment Return, Net of Expenses, Year Ended December 31, 2013	<u>30,464,909</u>
Fair Value of Assets, December 31, 2013	\$ 224,938,785

ASC 715 Postretirement Welfare Benefit Cost/(Income)

	Fiscal 2013	Fiscal 2014 ¹
Service Cost	\$ 4,858,963	\$ 3,223,253
Interest Cost	\$ 19,536,637	\$ 18,253,425
Expected Return on Assets	\$ (14,694,438)	\$ (18,326,540)
Amortization of:		
Transition (Asset)/Obligation	\$ 357,676	\$ 0
Prior Service Cost	(138,489)	(2,530,118)
Net (Gain)/Loss	<u>6,544,892</u>	<u>251,140</u>
Total	\$ 6,764,079	\$ (2,278,978)
Net Periodic Postretirement Benefit Cost/(Income)	\$ 16,465,241	\$ 871,160
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 16,465,241	\$ 871,160
Key Assumptions		
Discount Rate	4.21%	4.98% ²
Expected Long-Term Rate of Return	8.15%	8.15%
Health Care Trend Rates		
Trend for Next Year/Ultimate Trend	7.25%/5.00%	7.00%/4.50%
Year Ultimate Trend Reached	2018	2021
Additional Information³		
Assumed Expenses in Service Cost (if \$0, Rate of Return is Assumed Net of Expenses)		\$ 0
Expected Benefit Payments		\$ 20,408,732
Expected Contributions		\$ 17,643,580
Expected Retiree Drug Subsidy Reimbursement		\$ 2,089,686
Market-Related Value of Assets		\$ 224,938,785
Average Remaining Service		13.14 years

¹ Results reflect plan remeasurement at May 31, 2014 for NIPSO Union plan changes.

² Discount rate shown as of January 1, 2014 for expense from January 1, 2014 through May 31, 2014. Discount rate for expense from June 1, 2014 through December 31, 2014 was 4.28%.

³ Information shown as of the beginning of Fiscal 2014.

Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2012	Disclosed December 31, 2013
Accumulated Postretirement Benefit Obligation	\$ (473,871,640)	\$ (409,194,657)
Fair Value of Assets	<u>182,085,891</u>	<u>224,938,785</u>
Funded Status	\$ (291,785,749)	\$ (184,255,872)
Amounts Recognized in Accumulated Other Comprehensive Income:		
Net Transition (Asset)/Obligation	357,676	0
Prior Service Cost	(542,737)	(6,313,280)
Net (Gain)/Loss	<u>125,991,316</u>	<u>24,069,513</u>
Amount Recognized In Retained Earnings	\$ (165,979,494)	\$ (166,499,639)
Accumulated Other Comprehensive Income	125,806,255	17,756,233
Recognized Asset/(Liability)	\$ (291,785,749)	(184,255,872)

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, 2014 ¹
Unrecognized Net (Gain)/Loss	\$ 24,069,513
Fair Value of Plan Assets	224,938,785
Market-Related Value of Assets (MRVA)	<u>(224,938,785)</u>
Net (Gain)/Loss Subject to Corridor	\$ 24,069,513
Accumulated Postretirement Benefit Obligation (APBO)	\$ 409,194,657
(Gain)/Loss Corridor, 10% of Greater of APBO or MRVA	\$ 40,919,466
Net (Gain)/Loss Subject to Amortization	\$ 0
Average Remaining Service to Retirement	13.14 years
Amortization of Net (Gain)/Loss	\$ 0

¹ The Plan was remeasured at May 31, 2014. No additional (Gain)/Loss amortization resulted from the remeasurement.

Schedule of Other ASC 715 Amortization Amounts

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

Amortization Amounts of Prior Service Cost¹

Description	Amortization Amount	Years Remaining January 1, 2014	Outstanding Balance
NIPSCO	\$ (1,002,790)	5.79	\$ (5,806,157)
Columbia	334,987	5.75	1,926,166
Columbia	32,429	6.29	203,965
BSNU	68,460	2.75	188,257
BSNU	2,544	7.19	18,293
BSU	30,309	5.41	163,972
BSU	34,691	6.55	227,230
BSU	615	8.12	4,992
BSU	265,126	8.12	2,152,811
BSU	(627)	5.41	(3,392)
NIFL	21,241	1.75	37,174
NIFL	3,484	2.75	9,573
NIFL	7,665	6.46	49,506
NIFL	2,936	11.12	32,644
Kokomo	13,914	5.75	79,950
Kokomo	20,489	8.05	164,939
Kokomo	628	9.62	6,028
Kokomo	13,560	10.06	136,409
ACE	(1,256,519)	4.70	(5,905,640)
Total	(1,406,858)		(6,313,280)

¹ Results shown are as of January 1, 2014. The plan was remeasured at May 31, 2014. This resulted in a negative prior service cost base of (\$24,724,551) being created at May 31, 2014 for NIPSCO Union. This base resulted in an additional amortization charge of (\$1,123,260) for 2014.

ASC 715 Disclosure

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

	Fiscal 2012	Fiscal 2013
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 425,714,094	\$ 473,871,640
Service Cost	4,209,568	4,858,963
Interest Cost	20,279,346	19,536,637
Plan Amendments	2,948,188	(3,392)
ACE Merger	0	6,750,182
Actuarial (Gain)/Loss	35,791,781	(79,606,440)
Plan Participant Contributions	3,037,413	2,955,293
Actual Benefits Paid	(18,996,283)	(19,727,060)
Retiree Drug Subsidy Reimbursement	887,533	558,834
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Benefit Obligation, End of Year	\$ 473,871,640	\$ 409,194,657
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 159,103,070	\$ 182,085,891
Actual Return on Plan Assets	22,517,068	30,464,909
ACE Merger	0	12,655,822
Employer Contributions	16,424,623	16,503,930
Plan Participant Contributions	3,037,413	2,955,293
Actual Benefits Paid	<u>(18,996,283)</u>	<u>(19,727,060)</u>
Fair Value of Plan Assets, End of Year	\$ 182,085,891	\$ 224,938,785
Funded Status of the Plan	\$ (291,785,749)	\$ (184,255,872)
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	<u>(291,785,749)</u>	<u>(184,255,872)</u>
Net Asset/(Liability) at End of Year	\$ (291,785,749)	\$ (184,255,872)
Amounts Recognized In Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 357,676	\$ 0
Prior Service Cost/(Credit)	(542,737)	(6,313,280)
Net Actuarial (Gain)/Loss	<u>125,991,316</u>	<u>24,069,513</u>
Total	\$ 125,806,255	\$ 17,756,233

ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Components of Net Periodic Benefit Cost		
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/(Credit)	167,686	(138,489)
Net (Gain)/Loss	<u>5,082,923</u>	<u>6,544,892</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 17,622,513	\$ 16,465,241
Settlement/Curtailment Cost/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Cost/(Income)	\$ 17,622,513	\$ 16,465,241
Other Changes in Plan Assets and Benefit obligation Recognized in Other Comprehensive Income		
Net Actuarial (Gain)/Loss	\$ 26,029,762	\$ (95,376,911)
Prior Service Cost/(Credit)	2,948,188	(5,909,032)
Amortization of:		
Transition (Asset)/Obligation	(818,056)	(357,676)
Prior Service Cost/(Credit)	(167,686)	138,489
Actuarial (Gain)/Loss	<u>(5,082,923)</u>	<u>(6,544,892)</u>
Total Recognized in Other Comprehensive Income	\$ 23,089,285	\$(108,050,022)

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)	\$ (1,406,858)
Net Actuarial (Gain)/Loss	\$ 0

ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.21%	4.98%
Health Care Trend Rates		
Trend for Next Year	7.25%	7.00%
Ultimate Trend Rate	5.00%	4.50%
Year Ultimate Trend Reached	2018	2021
Measurement Date	December 31, 2012	December 31, 2013
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	4.88%	4.21%
Expected Long-term Rate of Return	8.15%	8.15%
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
Impact of a 1% Increase in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ 52,948,000	\$ 40,774,000
On Service Cost and Interest Cost for Year	\$ 3,091,000	\$ 2,790,000
Impact of a 1% Decrease in Assumed Health Care Trend Rates		
On Benefit Obligation, End of Year	\$ (43,451,000)	\$ (33,923,000)
On Service Cost and Interest Cost for Year	\$ (2,436,000)	\$ (2,217,000)

ASC 715 Disclosure

Fiscal 2013

Estimated Gross Future Benefit Payments

2014 Payouts	\$	22,500,000
2015 Payouts	\$	24,170,000
2016 Payouts	\$	25,550,000
2017 Payouts	\$	26,750,000
2017 Payouts	\$	27,710,000
2019 to 2023 Payouts	\$	146,430,000

Estimated Future Retiree Drug Subsidy Reimbursements

2014 Payouts	\$	2,090,000
2015 Payouts	\$	2,200,000
2016 Payouts	\$	2,230,000
2017 Payouts	\$	2,210,000
2018 Payouts	\$	2,160,000
2019 to 2023 Payouts	\$	9,000,000

Estimated Net Future Benefit Payments

2014 Payouts	\$	20,410,000
2015 Payouts	\$	21,970,000
2016 Payouts	\$	23,320,000
2017 Payouts	\$	24,540,000
2017 Payouts	\$	25,550,000
2019 to 2023 Payouts	\$	137,430,000

Expected Fiscal Year 2014 Contributions \$ 17,643,580

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, 2013 and as of January 1, 2014. 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, 2013	January 1, 2014 ¹
Active participants		
Number	7,617	7,248
Average age	47.2	47.8
Average service	17.3	18.1
Inactive participants		
Retirees and surviving spouses ²	7,407	7,222
Average current age	71.9	72.3
Covered spouses	3,803	3,695
Average current age	67.3	67.7
Total participants		
Number	18,827	18,165

¹ Used for May 31, 2014 remeasurement.

² Excludes 2,369 retirees with post-65 supplement only as of 1/1/2013 and 2,396 as of 1/1/2014.

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 PPO projections, 24 months of paid claim and enrollment data (January 2011 – December 2012) 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 2013.

For Pre-65 HD PPO projections, 12 months of completed incurred claims and enrollment data (January 2012 – December 2012) was used. The data was separated into one experience period (calendar year). The completed incurred claims were divided by enrollment. The per-employee claims were then trended to 2013.

For Post-65 projections, 24 months of paid claim and enrollment data (January 2011 – December 2012) 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 2013.

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.

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

2013 Health Care Claims

The annual per capita claim costs for 2013 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	8,859	9,873
Carelink Health Plans	7,744	10,168
Health America – Pittsburgh	6,375	8,427
Health New England HMO	5,925	8,946
High Deductible PPO 1	3,371	5,199
High Deductible PPO 2	2,865	4,601
Kaiser Permanente	6,397	7,969
Keystone Health Plan – Central	8,347	10,490
NIPSCO PPO	8,090	10,446
Optimum Choice	7,917	10,423
PPO	7,488	9,917
Southern Health HMO	7,528	10,498
Tufts HMO	7,375	10,509

	Post-65	Part D Reimbursement
Medicare Supplement - Flex	\$ 2,082	N/A
Medicare Supplement – NIPSCO	\$ 2,211	N/A
MAP	\$ 3,751	\$ 646
MAP (Medical Only)	\$ 1,333	N/A
BSG Med Supp Multi Union	\$ 2,065	N/A
BSG Med Supp	\$ 4,237	\$ 601
BSG Med Supp (Medical Only)	\$ 2,065	N/A
Medigap Supplement	\$ 4,176	\$ 563
Keystone Health Plan - Central	\$ 5,592	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	For expense from January 1, 2014 through May 31, 2014, the measurement date is December 31, 2013. For expense from June 1, 2014 through December 31, 2014, the measurement date is May 31, 2014.
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	For expense from January 1, 2014 through May 31, 2014, the data is as of January 1, 2013 and the liabilities have been rolled forward to the measurement date. For expense from June 1, 2014 through December 31, 2014, the data is as of January 1, 2014 and the liabilities have been rolled forward to the measurement date.
Discount rate	
Post-65 Medical	4.98%: Expense from January 1, 2014 to May 31, 2014 4.28%: Expense from June 1, 2014 to December 31, 2014
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 See Table 1
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 2
Nonunion participants	See Table 3
Disability rates	Rates not used. Only current disabled employees have been included
Retirement age	Based on pension plan participation as follows:
NiSource, (Including former Subsidiary and Kokomo Union)	See Table 4
Columbia and Bay State Nonunion Plans	See Table 5
Bay State Union Plan	See Table 6
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	
	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, 828B13, 828B14, and 829A	100%

For ASC 715 Requirements

Retiree medical lapse rates

RBP's 101A, 101B, 101C, 101M, 101N, 221, 221Y05, 221Y14, 821A, 822A, 823A, 824A, 825A, 825B, 825B13, 826A, 827A, 827B, 828A, 828B, 828B13, 828B14, and 829A	None
RBP's 101I, 101J, 101K, 101L, and 101O	Approximately 1% of retirees do not re-elect coverage per year for pre-65 retiree medical only
RBP's 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	<p>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.</p> <p>The premiums were projected using the health care cost trend rate assumptions as of December 31, 2013. 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 2.5%.</p> <p>Post-65 is examined separately and it was determined that there was no material impact on the NiSource liability for post-65.</p>

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 4.21% to 4.98% as of December 31, 2013 and 4.28% as of May 31, 2014.
- A change in retirement rates for account balance participants to better reflect anticipated experience.
- A change in the health care trend rates from 7.75% in 2012 grading down to 5.00% in 2018 to 7.63% pre-65 and 7.20% post-65 in 2013 grading down to 4.50% in 2021.
- A change in the long-term annual CPI assumption used to develop the excise tax impact of health care reform from 3.0% to 2.5%.

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Table 1
2013 Trend Rates

Year	Pre-65	Post-65
2013	7.63%	7.20%
2014	7.25%	7.00%
2015	6.75%	6.50%
2016	6.38%	6.30%
2017	6.00%	6.10%
2018	5.50%	5.60%
2019	5.13%	5.30%
2020	4.63%	4.80%
2021+	4.50%	4.50%

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 Retirement and Investment

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Table 2
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%

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Table 3
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%

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Table 4
Retirement Rates—NiSource Plan (Including former Subsidiary and Kokomo Union)

Age	Final Average Pay Participants ¹		Account Balance Participants	
	<25 Years	25+ Years	Union	Nonunion
55	5.00%	5.00%	2.00%	5.00%
56	5.00%	5.00%	2.00%	5.00%
57	5.00%	5.00%	2.00%	5.00%
58	5.00%	5.00%	2.00%	10.00%
59	5.00%	5.00%	2.00%	10.00%
60	5.00%	30.00%	10.00%	20.00%
61	5.00%	30.00%	10.00%	20.00%
62	25.00%	30.00%	15.00%	30.00%
63	10.00%	30.00%	15.00%	30.00%
64	10.00%	30.00%	15.00%	30.00%
65	50.00%	50.00%	35.00%	35.00%
66	50.00%	50.00%	35.00%	35.00%
67	50.00%	50.00%	35.00%	35.00%
68	50.00%	50.00%	35.00%	35.00%
69	50.00%	50.00%	35.00%	35.00%
70+	100.00%	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 5
Retirement Rates—Columbia Plan and Bay State Nonunion Plan

Age	All Participants
55	2.00%
56	2.00%
57	2.00%
58	2.00%
59	2.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70+	100.00%

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Table 6
Retirement Rates—Bay State Union Plan

Age	<u>Final Average Pay Participants</u>		Account Balance Participants
	<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%	10.00%
61	5.00%	30.00%	10.00%
62	25.00%	30.00%	15.00%
63	10.00%	30.00%	15.00%
64	10.00%	30.00%	15.00%
65	50.00%	50.00%	35.00%
66	100.00%	100.00%	35.00%
67	100.00%	100.00%	35.00%
68	100.00%	100.00%	35.00%
69	100.00%	100.00%	35.00%
70+	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 2014 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, 2014.

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 2014.

Plan Provisions

Summary of Post-65 Medical Plan Provisions

This section highlights the key post-65 medical plan provisions reflected in the December 31, 2013 measurement and the plan changes reflected in the May 31, 2014 remeasurement.

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.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$36 Medicare Part D Reimbursement
101	All Nonunion Exempt FT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt FT 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 FT 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 FT 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 FT retired between 01/01/2002 and 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101D	CEG Nonunion FT retired before 01/01/1993	MAP MAP—Med Only	50% of premium	\$104.90 ¹ monthly for retiree only	N/A	N/A
101E	CEG Nonunion FT 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)	\$104.90 ¹ monthly for retiree only	N/A	N/A
101F	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	MAP MAP—Med Only	50% of premium	\$104.90 ¹ monthly for retiree only	N/A	N/A
101G	Columbia Nonunion FT—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

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
101H	Columbia Nonunion FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	50% of premium	\$104.90 ¹ monthly for retiree only	N/A	N/A
101I	Kokomo Nonunion FT retired before 01/01/2002	Medicare Supplement	100% of premium	N/A	N/A	N/A
101J	Kokomo Nonunion FT retired between 01/01/2002 and 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101K	NISource Nonunion FT retired on or before 02/01/1997	Medicare Supplement	100% of premium	N/A	N/A	N/A
101L	NISource Nonunion FT retired after 02/01/1997 and before 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101M	NIFL FT retired before 01/01/2002	Medigap Supplement	100% of premium	N/A	N/A	N/A
101N	NIFL FT 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 FT 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
102	All Nonunion Exempt PT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt PT 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 PT—2002 ERW/VSP Age 50–52	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
104	All Nonunion Exempt FT 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 FT 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
132	Special 4 th Quarter FT 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 FT retired prior to 01/01/2005	NIPSCO Union Medicare Supplement	100% of premium	N/A	N/A	N/A
221Y05	NIPSCO Union FT hired before 06/01/2004 but retiring on or after 01/01/2005 and before 01/01/2017	NIPSCO Union Medicare Supplement	77% of premium ¹	N/A	N/A ²	\$35 per month for retiree only; increases to \$40 per month effective 01/01/2015
221Y14	NIPSCO Union FT retired before 01/01/2017, but hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union Medicare Supplement	70% of premium ¹	N/A	N/A ²	\$35 per month for retiree only; increases to \$40 per month effective 01/01/2015

¹ Retirees on or after 1/1/2015 can choose the Defined Dollar subsidy.

² \$475 annually for retiree only if choose the Defined Dollar subsidy.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NI Source Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
228	NIPSCO Union FT hired on or after 06/01/2009 or hired before 06/01/2009 and retiring on or after 1/1/2017	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree ; Increases to \$65 x service effective 01/01/2017 \$40 x service spouse; Increases to \$45 x service effective 01/01/2017	N/A	\$450 annually for retiree only; Increases to \$475 effective 01/01/2015	\$35 per month for retiree only; Increases to \$40 per month effective 01/01/2015
321	NIFL Union FT retired on or after 01/01/2006 but before 01/01/2012	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
321Y12	NIFL Union FT retired on or after 01/01/2012	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree ; Increases to \$65 x service effective 01/01/2017 \$40 x service spouse; Increases to \$45 x service effective 01/01/2017	N/A	\$450 annually for retiree only; Increases to \$475 effective 01/01/2015	\$35 per month for retiree only; Increases to \$40 per month effective 01/01/2015
621	CEG Union FT 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 FT retired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA—Central	50% of premium (100% of premium for Keystone Blue)	\$104.90 ¹ monthly for retiree only	N/A	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
621B	CEG Union FT 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)	\$104.90 ¹ monthly for retiree only	N/A	N/A
621C	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	MAP MAP—Med Only	50% of premium	\$104.90 ¹ monthly for retiree only	N/A	N/A
621D	CEG Union FT—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 FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	MAP MAP—Med Only	50% of premium	\$104.90 ¹ monthly for retiree only	N/A	N/A
622	CEG Union PT 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 PT retired after 01/01/1993 and before 02/01/2004 and hired on or after 01/01/2003	MAP MAP—Med Only	50% of premium	\$104.90 ¹ monthly for retiree only	N/A	N/A
721Y05	Kokomo Union FT Outside (majority) retired after 01/01/2005 but before 01/01/2012	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
721Y12	Kokomo Union FT retired on or after 01/01/2012	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree ; increases to \$65 x service effective 01/01/2017 \$40 x service spouse; increases to \$45 x service effective 01/01/2017	N/A	\$450 annually for retiree only; increases to \$475 effective 01/01/2017	\$35 per month for retiree only; increases to \$40 per month effective 01/01/2015
821	Bay State Union Brockton Physical FT hired before 01/01/2013 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
821A	Bay State Union Brockton Physical FT 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 FT and hired before 06/01/2013 and retired before 05/01/2013 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 FT 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
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013	BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
823	Bay State Union Granite FT retired after 01/01/2004	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
823A	Bay State Union Granite FT 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 FT retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
824A	Bay State Union Lawrence FT 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 FT hired before 01/01/2013 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
825	Bay State Union Northhampton FT hired after 06/18/1999 but before 01/01/2011	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
825A	Bay State Union Northhampton FT 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 FT 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 FT 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 FT retired after 01/01/2004 and does not meet requirements of 826A	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NI/Source Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
826A	Bay State Union Portland FT 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 FT hired after 06/04/1999	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
827A	Bay State Union Portsmouth FT 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
827B	Bay State Union Portsmouth FT 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 FT hired after 05/14/1999 and retired before 05/15/2013	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
828A	Bay State Union Springfield Physical FT 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 FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired before 05/15/2013	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
828B13	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired between 05/15/2013 and 12/31/2013	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	2013 Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO \$35 Medicare Part D Reimbursement
828B14	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2014	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
828Y13	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired on or after 05/15/2013	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
829	Bay State Union Springfield C/T FT retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
829A	Bay State Union Springfield C/T FT 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 FT 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
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 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

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Active Programs That Will Not Receive Retiree Benefits

Active
Benefit
Program

Group

106	All Nonunion Exempt FT hired after 01/01/2010
107	All Nonunion Exempt PT hired after 01/01/2010
108	All Nonunion Non-Exempt FT hired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired on or after 01/01/2013
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF
623	CEG Union FT hired on or after 01/01/2013
624	CEG Union PT hired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Physical FT hired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton Physical PT hired before 01/01/2013
835	Bay State Union Northhampton FT hired on or after 01/01/2011
838	Bay State Union Springfield Physical FT hired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired on or after 01/01/2011
844	Bay State Union Brockton Physical PT hired on or after 01/01/2013
854	Bay State Union Lawrence FT hired on or after 01/01/2013

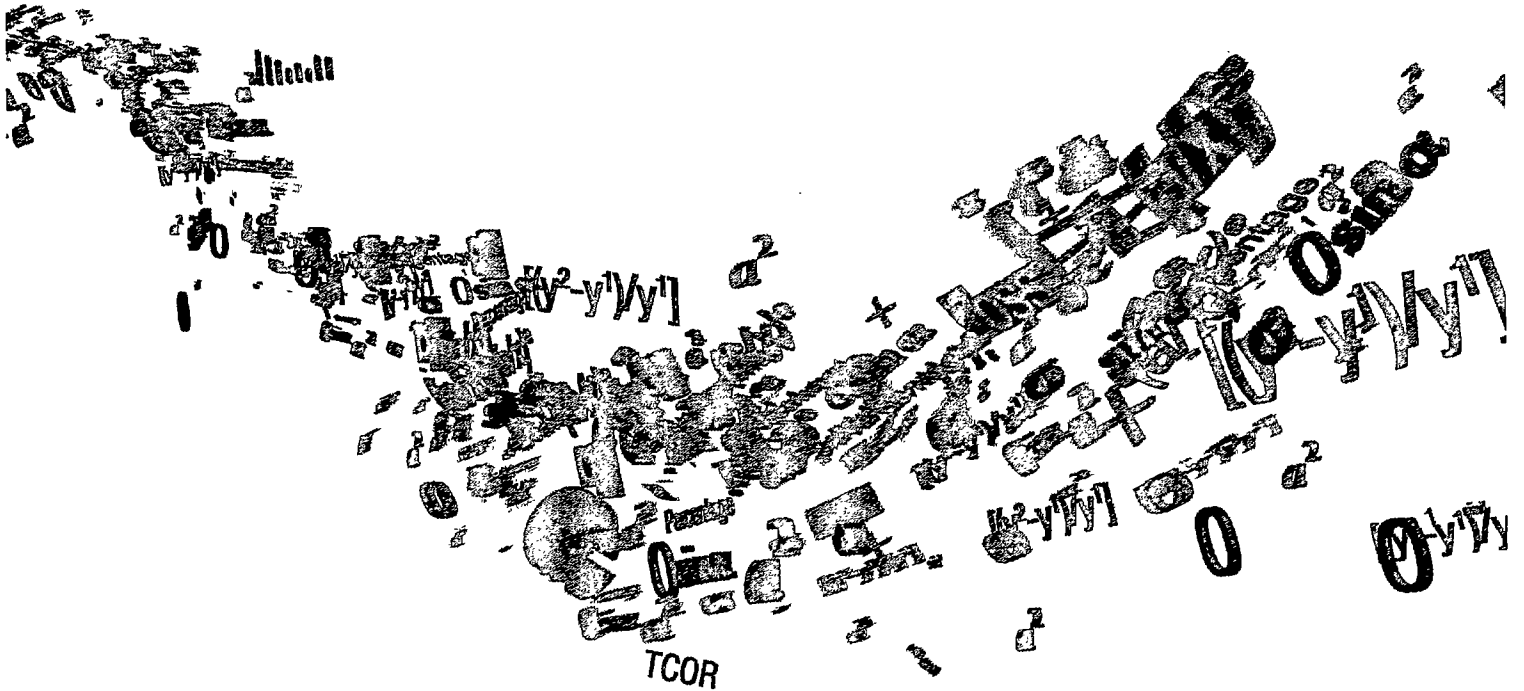
Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes as of December 31, 2013:

- 2014 and 2015 Health Care Reform employer mandates have been reflected.
- Post-65 drug coverage was eliminated for Brockton Clerical/Technical retirements after May 1, 2013.
- Post-65 drug coverage was eliminated for Springfield Operating retirements after January 1, 2014.
- NiSource assumed responsibility for retiree medical benefits due to certain retirees that had formerly been settled with ACE Insurance. The liabilities for those benefits were assumed in exchange for cash considerations.

The financial accounting valuation reflects the following plan changes as of May 31, 2014:

- Defined dollar cost sharing for retirements after January 1, 2017.
- Pre-65 defined dollar multipliers increase to \$190 x service for retirees and \$135 x service for spouses, effective January 1, 2017; additional increases to \$225 x service for retirees and \$170 x service for spouses, effective January 1, 2019.
- Post-65 defined dollar multipliers increase to \$65 x service for retirees and \$45 x service for spouses, effective January 1, 2017.
- Medicare Part D subsidy increased from \$35 per month to \$40 per month effective January 1, 2015 and is extended to employees who retired during 2005.
- Medicare Part B reimbursement increased from \$450 per year to \$475 per year effective January 1, 2015.
- Choice of defined dollar cost sharing or 23%/30% subsidy cost sharing for retirements between January 1, 2015 and January 1, 2017.
- One-time HSA contribution of \$1,500 to retirees during 2015-2018 who elect defined dollar and the HDPPO; \$1,200 for retirements in 2019.



Actuarial Valuation Report

NiSource Inc.

All Other Life Insurance Benefits

Accounting Information Under ASC Topic 715

As of December 31, 2013

Introduction

This report documents the results of the December 31, 2013 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 2014 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

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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 2015

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, 2013	\$	56,072,835
Cash Contributions, Year Ended December 31, 2013		498,150
Net Benefit Payments, Year Ended December 31, 2013		(1,995,403)
Investment Return, Net of Expenses, Year Ended December 31, 2013		<u>9,627,941</u>
Fair Value of Assets, December 31, 2013	\$	64,203,523

ASC 715 Postretirement Welfare Benefit Cost/(Income)

	Fiscal 2013	Fiscal 2014
Service Cost	\$ 525,015	\$ 404,286
Interest Cost	\$ 3,635,235	\$ 3,878,505
Expected Return on Assets	\$ (4,444,423)	\$ (5,086,076)
Amortization of:		
Transition (Asset)/Obligation	\$ 23,702	\$ 0
Prior Service Cost	2,018	12,535
Net (Gain)/Loss	<u>1,526,717</u>	<u>127,201</u>
Total	\$ 1,552,437	\$ 139,736
Net Periodic Postretirement Benefit Cost/(Income)	\$ 1,268,264	\$ (663,549)
Settlement/Curtailment Cost/(Income)	<u>0</u>	<u>0</u>
Total Cost/(Income)	\$ 1,268,264	\$ (663,549)
Key Assumptions		
Discount Rate	4.43%	5.21%
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	\$	2,807,757
Expected Contributions	\$	1,235,524
Market-Related Value of Assets	\$	64,203,523
Average Remaining Service		12.57 years

Reconciliation of ASC 715 Funded Status

	Disclosed December 31, 2012	Disclosed December 31, 2013
Accumulated Postretirement Benefit Obligation	\$ (83,358,946)	\$ (75,847,331)
Fair Value of Assets	<u>56,072,835</u>	<u>64,203,523</u>
Funded Status	\$ (27,286,111)	\$ (11,643,808)
Amounts Recognized in Accumulated Other Comprehensive Income:		
Net Transition (Asset)/Obligation	23,702	0
Prior Service Cost	2,018	109,057
Net (Gain)/Loss	<u>25,679,388</u>	<u>9,183,634</u>
Amount Recognized in Retained Earnings	\$ (1,581,003)	\$ (2,351,117)
Accumulated Other Comprehensive Income	<u>25,705,108</u>	<u>9,292,691</u>
Recognized Asset/(Liability)	\$ (27,286,111)	\$ (11,643,808)

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, 2014
Unrecognized Net (Gain)/Loss	\$ 9,183,634
Fair Value of Plan Assets	64,203,523
Market-Related Value of Assets (MRVA)	<u>(64,203,523)</u>
Net (Gain)/Loss Subject to Corridor	\$ 9,183,634
Accumulated Postretirement Benefit Obligation (APBO)	\$ 75,847,331
(Gain)/Loss Corridor, 10% of Greater of APBO or MRVA	\$ 7,584,733
Net (Gain)/Loss Subject to Amortization	\$ 1,598,901
Average Remaining Service to Retirement	12.57 years
Amortization of Net (Gain)/Loss	\$ 127,201

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Schedule of Other ASC 715 Amortization Amounts

The following tables summarize the amortization schedules for the Prior Service Cost.

Amortization Amounts of Prior Service Cost

Description	Amortization Amount	Years Remaining January 1, 2014	Outstanding Balance
Springfield Operating	\$ 12,535	8.70	\$ 109,057

ASC 715 Disclosure

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

	Fiscal 2012	Fiscal 2013
Change in Benefit Obligation		
Benefit Obligation, Beginning of Year	\$ 73,539,952	\$ 83,358,946
Service Cost	854,145	525,015
Interest Cost	3,529,786	3,635,235
Plan Amendments	0	109,057
Actuarial (Gain)/Loss	7,596,337	(9,785,519)
Plan Participant Contributions	0	0
Actual Benefits Paid	(2,161,274)	(1,995,403)
Liability (Gain)/Loss Due to Curtailment	0	0
Special Termination Benefits	0	0
Benefit Obligation, End of Year	<u>\$ 83,358,946</u>	<u>\$ 75,847,331</u>
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	\$ 51,037,985	\$ 56,072,835
Actual Return on Plan Assets	6,662,442	9,627,941
Employer Contributions	533,682	498,150
Plan Participant Contributions	0	0
Actual Benefits Paid	(2,161,274)	(1,995,403)
Fair Value of Plan Assets, End of Year	<u>\$ 56,072,835</u>	<u>\$ 64,203,523</u>
Funded Status of the Plan	<u>\$ (27,286,111)</u>	<u>\$ (11,643,808)</u>
Additional Amounts Recognized in the Statement of Financial Position		
Noncurrent Assets	\$ 0	\$ 0
Current Liabilities	0	0
Noncurrent Liabilities	(27,286,111)	(11,643,808)
Net Asset/(Liability) at End of Year	<u>\$ (27,286,111)</u>	<u>\$ (11,643,808)</u>
Amounts Recognized in Accumulated Other Comprehensive Income		
Net Transition (Asset)/Obligation	\$ 23,702	\$ 0
Prior Service Cost/(Credit)	2,018	109,057
Net Actuarial (Gain)/Loss	25,679,388	9,183,634
Total	<u>\$ 25,705,108</u>	<u>\$ 9,292,691</u>

ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Components of Net Periodic Benefit Cost		
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/(Credit)	(4,001)	2,018
Net (Gain)/Loss	<u>1,828,483</u>	<u>1,526,717</u>
Preliminary Net Periodic Benefit Cost/(Income)	\$ 2,225,628	\$ 1,268,264
Settlement/Curtailment Cost/(Income)	0	0
Special Termination Benefits	<u>0</u>	<u>0</u>
Total ASC 715 Cost/(Income)	\$ 2,225,628	\$ 1,268,264

Other Changes in Plan Assets and Benefit Obligation

Recognized in Other Comprehensive Income

Net Actuarial (Gain)/Loss	\$ 4,979,431	\$ (14,969,037)
Prior Service Cost/(Credit)	0	109,057
Amortization of:		
Transition (Asset)/Obligation	(62,751)	(23,702)
Prior Service Cost/(Credit)	4,001	(2,018)
Actuarial (Gain)/Loss	<u>(1,828,483)</u>	<u>(1,526,717)</u>
Total Recognized in Other Comprehensive Income	\$ 3,092,198	\$ (16,412,417)

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)	\$ 12,535
Net Actuarial (Gain)/Loss	\$ 127,201

ASC 715 Disclosure

	Fiscal 2012	Fiscal 2013
Weighted Average Assumptions for Balance Sheet Liability at End of Year		
Discount Rate	4.43%	5.21%
Measurement Date	December 31, 2012	December 31, 2013
Weighted Average Assumptions for Benefit Cost at Beginning of Year		
Discount Rate	4.88%	4.43%
Expected Long-Term Rate of Return	8.02%	8.02%
Estimated Future Benefit Payments		
2014 Payouts	\$	2,810,000
2015 Payouts	\$	2,950,000
2016 Payouts	\$	3,100,000
2017 Payouts	\$	3,250,000
2018 Payouts	\$	3,410,000
2019 to 2023 Payouts	\$	19,830,000
Expected Fiscal Year 2014 Contributions	\$	1,235,524

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, 2013. 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, 2013

Active participants

Number	5,631
Average age	47.6
Average service	17.8

Inactive participants

Number	4,251
Average current age	68.3

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, 2013 and the liabilities have been rolled forward to the measurement date
Discount rate	5.21%
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
	See Table 1
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 2
Nonunion participants	See Table 3
Disability rates	Rates not used. Only current disabled employees have been included
Retirement age	Based on pension plan participation as follows:
NiSource (Including former Subsidiary and Kokomo Union)	See Table 4
Columbia and Bay State Nonunion Plans	See Table 5
Bay State Union Plan	See Table 6
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	
	<u>Years of Service</u>
	<u>Retire In</u> <u>10-19</u> <u>20-29</u> <u>30+</u>
	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, 828B13, 828B14 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, 828B13, 828B14 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

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.

For ASC 715 Requirements

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, 2013. 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 2.5%.

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 4.43% to 5.21%.
- A change in retirement rates for account balance participants to better reflect anticipated experience.
- A change in the long-term annual CPI assumption used to develop the excise tax impact of health care reform from 3.0% to 2.5%.

Table 1
2013 Trend Rates

Year	Pre-65	Post-65
2013	7.63%	7.20%
2014	7.25%	7.00%
2015	6.75%	6.50%
2016	6.38%	6.30%
2017	6.00%	6.10%
2018	5.50%	5.60%
2019	5.13%	5.30%
2020	4.63%	4.80%
2021+	4.50%	4.50%

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Table 2
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%

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Table 3
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%

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Table 4
Retirement Rates—NiSource, Subsidiary and Kokomo Union Pension Plan Participants

Age	<u>Final Average Pay</u> <u>Participants¹</u>		<u>Account Balance</u> <u>Participants</u>	
	<25 Years	25+ Years	Union	Nonunion
55	5.00%	5.00%	2.00%	5.00%
56	5.00%	5.00%	2.00%	5.00%
57	5.00%	5.00%	2.00%	5.00%
58	5.00%	5.00%	2.00%	10.00%
59	5.00%	5.00%	2.00%	10.00%
60	5.00%	30.00%	10.00%	20.00%
61	5.00%	30.00%	10.00%	20.00%
62	25.00%	30.00%	15.00%	30.00%
63	10.00%	30.00%	15.00%	30.00%
64	10.00%	30.00%	15.00%	30.00%
65	50.00%	50.00%	35.00%	35.00%
66	50.00%	50.00%	35.00%	35.00%
67	50.00%	50.00%	35.00%	35.00%
68	50.00%	50.00%	35.00%	35.00%
69	50.00%	50.00%	35.00%	35.00%
70+	100.00%	100.00%	100.00%	100.00%

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

Table 5
Retirement Rates—Columbia Plan and Bay State Nonunion Plan

Age	All Participants
55	2.00%
56	2.00%
57	2.00%
58	2.00%
59	2.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70+	100.00%

Table 6
Retirement Rates—Bay State Union Plan

Age	<u>Final Average Pay Participants</u>		Account Balance Participants
	<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%	10.00%
61	5.00%	30.00%	10.00%
62	25.00%	30.00%	15.00%
63	10.00%	30.00%	15.00%
64	10.00%	30.00%	15.00%
65	50.00%	50.00%	35.00%
66	100.00%	100.00%	35.00%
67	100.00%	100.00%	35.00%
68	100.00%	100.00%	35.00%
69	100.00%	100.00%	35.00%
70+	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 2014 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, 2014.

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 2014.

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, 2013 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 ¹ (Maximum if Noted; No Reduction)
101	All Nonunion Exempt FT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt FT retired on or after 02/01/2004 and hired before 01/01/2013	\$25,000
101A	Bay State Nonunion FT retired on or before 01/01/2002	\$5,000
101B	Bay State Nonunion FT 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
101C	Bay State Nonunion FT retired between 01/01/2002 and 02/01/2004	50% of Annual Salary
101D	CEG Nonunion FT retired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000
101E	CEG Nonunion FT 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
101F	CEG Nonunion FT 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
101G	Columbia Nonunion FT—2002 ERW/VSP Age 50–52 (Salary continuation)	\$25,000
101H	Columbia Nonunion FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	80% of pay of final base salary Maximum \$80,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon Hewitt.

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Retiree Benefit Program (RBP)	Group	Retiree Life Insurance ¹ (Maximum if Noted; No Reduction)
101I	Kokomo Nonunion FT retired before 01/01/2002	No coverage
101J	Kokomo Nonunion FT retired between 01/01/2002 and 02/01/2004	50% of Annual Salary
101K	NiSource Nonunion FT retired on or before 02/01/1997	50% of Annual Salary
101L	NiSource Nonunion FT retired after 02/01/1997 and before 02/01/2004	50% of Annual Salary
101M	NIFL Nonunion FT retired before 01/01/2002	No coverage
101N	NIFL Nonunion FT retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	50% of Annual Salary
101O	NIFL Nonunion FT 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
102	All Nonunion Exempt PT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt PT retired on or after 02/01/2004 and hired before 01/01/2013	\$25,000
102D	Columbia Nonunion PT —2002 ERW/VSP Age 50–52	\$25,000
104	All Nonunion Exempt FT retired on or after 02/01/2006 but hired before 01/01/2010	\$10,000
105	All Nonunion Exempt PT retired on or after 02/01/2006 but hired before 01/01/2010	\$10,000
132	Special 4th Quarter FT VSP retired before 02/01/2004	No coverage
621	CEG Union FT retired after 01/01/2004 but hired before 01/01/2013	\$25,000
621A	CEG Union FT retired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000
621B	CEG Union FT 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
621C	CEG Union FT 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
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	\$25,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon Hewitt.

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 Retirement and Investment

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Retiree Benefit Program (RBP)	Group	Retiree Life Insurance ¹ (Maximum if Noted; No Reduction)
621E	CEG Union FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	80% of pay of final base salary Maximum \$80,000
622	CEG Union PT retired after 02/01/2004 and hired before 01/01/2013	\$25,000
622C	CEG Union PT 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
821	Bay State Union Brockton Physical FT hired before 01/01/2013 and does not meet requirements of 821A	\$5,000
821A	Bay State Union Brockton Physical FT hired before 03/01/1991 and age 45 on 09/01/1991	\$5,000
822	Bay State Union Brockton C/T FT and hired before 06/01/2013 and retired before 05/01/2013 and does not meet requirements of 822A	\$5,000
822A	Bay State Union Brockton C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013	\$5,000
823	Bay State Union Granite FT retired after 01/01/2004	\$5,000
823A	Bay State Union Granite FT hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	\$5,000
824	Bay State Union Lawrence FT retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	\$5,000
824A	Bay State Union Lawrence FT hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	\$5,000
824Y13	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 01/01/2013	\$5,000
825	Bay State Union Northhampton FT hired after 06/18/1999 but before 01/01/2011	\$5,000
825A	Bay State Union Northhampton FT hired before 06/18/1999 and at least age 45 on 01/01/1993	\$5,000
825B	Bay State Union Northhampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired before 01/01/2013	\$5,000
825B13	Bay State Union Northhampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2013	\$5,000
826	Bay State Union Portland FT retired after 01/01/2004 and does not meet requirements of 826A	\$5,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NISource-approved retiree life insurance, as on file with Aon Hewitt.

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 Retirement and Investment

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Retiree Benefit Program (RBP)	Group	Retiree Life Insurance ¹ (Maximum if Noted; No Reduction)
826A	Bay State Union Portland FT hired before 04/01/1991 and age 45 by 04/01/1991	\$5,000
827	Bay State Union Portsmouth FT hired after 06/04/1999	\$5,000
827A	Bay State Union Portsmouth FT hired before 06/04/1999 and age 45 on 01/01/1993	\$5,000
827B	Bay State Union Portsmouth FT hired before 06/04/1999 and not age 45 on 01/01/1993	\$5,000
828	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired before 05/15/2013	\$5,000
828A	Bay State Union Springfield Physical FT hired before 05/14/1999 and at least age 45 on 01/01/1993	\$5,000
828B	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired before 05/15/2013	\$5,000
828B13	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired between 05/15/2013 and 12/31/2013	\$10,000
828B14	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2014	\$10,000
828Y13	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired on or after 05/15/2013	\$10,000
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
829A	Bay State Union Springfield C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000
829Y08	Bay State Union Springfield C/T FT retired after 01/01/2008 and retired before 01/01/2011 and does not meet the requirements of 829A	\$5,000
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired after 01/01/2011 and does not meet the requirements of 829A	\$5,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NISource-approved retiree life insurance, as on file with Aon Hewitt.

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

Active Benefit Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
106	All Nonunion Exempt FT hired after 01/01/2010
107	All Nonunion Exempt PT hired after 01/01/2010
108	All Nonunion Non-Exempt FT hired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired on or after 01/01/2013
623	CEG Union FT hired on or after 01/01/2013
624	CEG Union PT hired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Physical FT hired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton Physical PT hired before 01/01/2013
835	Bay State Union Northhampton FT hired on or after 01/01/2011
838	Bay State Union Springfield Physical FT hired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired on or after 01/01/2011
844	Bay State Union Brockton Physical PT hired on or after 01/01/2013
854	Bay State Union Lawrence FT hired on or after 01/01/2013

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Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes:

- Retiree Life Insurance was increased from \$5,000 to \$10,000 for Springfield Operating retirements after May 15, 2013.

COLUMBIA GAS OF PENNSYLVANIA, INC.
53.53 Ill. 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, 2013, 2014, and 2015, see Page 2.

COLUMBIA GAS OF PENNSYLVANIA, INC
ADVERTISING SUMMARY

	Period Ending <u>11/30/15</u> \$	Period Ending <u>11/30/14</u> \$	Period Ending <u>11/30/13</u> \$
<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	1,910	488	(1,095)
e. Other Advertising Programs	0	0	0
Total Newspaper Advertising Expense	<u>1,910</u>	<u>488</u>	<u>(1,095)</u>
<u>TELEVISION</u>			
a. Public Health & Safety	14,143	0	0
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	0	0	5,000
d. Institutional Programs	48,051	43,249	5,500
e. Other Advertising Programs	0	0	0
Total Television Advertising Expense	<u>62,194</u>	<u>43,249</u>	<u>10,500</u>
<u>RADIO</u>			
a. Public Health & Safety	1,125	0	24,483
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	25,000	29,652	37,000
d. Institutional Programs	53,703	26,750	76,667
e. Other Advertising Programs	0	0	0
Total Radio Advertising Expense	<u>79,828</u>	<u>56,402</u>	<u>138,150</u>
<u>MAGAZINES & MISCELLANEOUS</u>			
a. Public Health & Safety	14,086	9,398	2,583
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	2,684	10,451	250
d. Institutional Programs	68,864	160,850	18,390
e. Other Advertising Programs	0	0	0
Total Mag. & Misc. Advertising Expense	<u>85,634</u>	<u>180,699</u>	<u>21,224</u>
Per Books Advertising Expense	229,566	280,839	168,779
<u>BILL INSERTS & BROCHURES</u>			
a. Public Health & Safety	20,762	15,245	5,064
b. Conservation	0	0	0
c. Educational Billing, Rates, Supply, etc.	113,693	126,120	105,151
d. Institutional Programs	0	0	0
e. Other Advertising Programs	0	0	0
Total Bill Insert Advertising Expense	<u>134,455</u>	<u>141,366</u>	<u>110,214</u>
Grand Total Advertising Expense	<u>364,021</u>	<u>422,204</u>	<u>278,993</u>
Adjustments for non recoverable advertising	(172,528)	(231,338)	(99,463)
Normalized Expense	<u>191,494</u>	<u>190,867</u>	<u>179,530</u>

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 \$207,674 is included as a part of Outside Services in the Future Test Year and \$210,000 is included in the Fully Forecasted Rate Year for Gas Technology Institute. Membership fees are based on number of meters.

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 2008 through 2015 and per books 12 months ended November, 2015. 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-08</u>		<u>Dec-09</u>		<u>Dec-10</u>		<u>Dec-11</u>	
Labor Charged to Expense	\$	23,881.5	\$	24,456.5	\$	25,204.8	\$	24,494.3
Distribution Maintenance Expense	\$	13,784.2	\$	14,097.9	\$	14,112.5	\$	13,856.3
Gross Distribution Plant	\$	868,249.8	\$	912,643.8	\$	988,860.5	\$	1,073,240.9
Customers		410,551		410,787		412,350		413,400

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	\$	2.11	\$	2.22	\$	2.40	\$	2.60

(\$Thousands)	<u>Dec-12</u>		<u>Dec-13</u>		<u>Dec-14</u>		<u>Nov-15</u>	
Labor Charged to Expense	\$	25,686.3	\$	26,962.2	\$	27,562.1	\$	29,431.7
Distribution Maintenance Expense	\$	14,338.7	\$	15,421.7	\$	18,083.3	\$	19,110.8
Gross Distribution Plant	\$	1,229,206.4	\$	1,430,731.7	\$	1,607,701.3	\$	1,765,325.9
Customers		414,289		416,339		421,732		420,657

Rate Per Customer

Labor Charged to Expense	\$	0.06	\$	0.06	\$	0.07	\$	0.07
Distribution Maintenance Expense	\$	0.03	\$	0.04	\$	0.04	\$	0.05
Gross Distribution Plant	\$	2.97	\$	3.44	\$	3.38	\$	4.20

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 U 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 B (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 B (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 a Client directly, the Company allocates costs in accordance with the Allocation Bases, which are filed annually with the FERC. The Company works cooperatively with department sponsors or project leaders through meetings and discussions to ensure costs are properly allocated to the Clients that will benefit from the service provided.

- d. Provided in Table 22(d) below are the allocation bases used to allocate costs to CPA by NCSC. Appendix A of Attachment B 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 B. "NCSC Overheads" are costs related to maintaining NCSC as outlined in Article 3.3 and 3.5 in the NCSC Service Agreement in Attachment B. With respect to charges from other affiliates, allocation factors are used as discussed in response c, above.

Table 22(d) (in dollars)

Basis	TME 11/30/2014	TME 11/30/2015 (Test Year)
Basis 1	10,850,581	12,182,164
Basis 2	132,422	97,716
Basis 3	29	2
Basis 4	106,322	122,489
Basis 7	307,172	411,370
Basis 8	135,639	166,093
Basis 9	63,704	29,303
Basis 10	8,384,608	8,733,191
Basis 11	3,292,133	3,748,774
Basis 13	2,901,169	3,031,759
Basis 14	54,442	61,468
Basis 20	10,535,238	10,821,740
Direct Billed	20,157,823	22,096,042
Direct NCSC Billed	1,712,553	1,981,795
Grand Total	58,633,837	63,483,906

- 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 B provides detailed descriptions of service categories and allocation bases underlying the NCSC charges.
- f. The contracts in Attachments A through U and the detailed descriptions of service categories and allocation bases underlying the NCSC charges contained in Appendix A of Attachment B 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, 2015

Exhibit No. 4
 Schedule 11
 Attachment 1
 Page 1 of 3
 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-00051117	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
C	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
D	G-00980640		Columbia Gas of Ohio		2/11/1999
E	G-00940371	Operation of Blackhawk Storage Facilities	Columbia Gas Transmission	Agreement for TCO to operate CPA's Blackhawk gas storage facilities	4/14/1994
F	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
G	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
H	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
I	G-00020929	Tax Allocation Agreement	CPA & NiSource Affiliates	Tax sharing/allocation agreement with affiliates	8/26/2002
J	G-0010908	Intercompany Financing	NiSource Finance Corp. NiSource Money Pool Entity (Co. 9	Intercompany financing including money pool participation	12/5/2001

Columbia Gas of Pennsylvania, Inc.
 Summary of Affiliate Charge Agreements
 For the Twelve Months Ended November 30, 2015

Exhibit No. 4
 Schedule 11
 Attachment 1
 Page 2 of 3
 Witness: K. K. Miller

ATTACHMENT	CASE NUMBER	AGREEMENT	AFFILIATE(S) NAME	DESCRIPTION OF AGREEMENT/ARRANGEMENT	COMMISSION APPROVAL DATE
K - U (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, 2015

Exhibit No. 4
 Schedule 11
 Attachment 1
 Page 3 of 3
 Witness: K. K. Miller

**COLUMBIA GAS OF PENNSYLVANIA, INC.
 AFFILIATED AGREEMENTS - TCO and GULF
 TWELVE MONTHS ENDED NOVEMBER 30, 2015**

COUNTERPARTY	CONTRACT NUMBER	RATE SCHEDULE	AGREEMENT DATE	EFFECTIVE DATE	PRIMARY TERM DATE	FINAL TERM DATE	SEASONAL/MDQ/ISQ	CONTRACT QTY DTH/D	RECEIPT POINT	RECEIPT POINT QTY	DELIVERY POINT	DELIVERY POINT QTY
<u>ATT TRANSPORTATION AGREEMENTS</u>												
K	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
L	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
M	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
N	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
O	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		
O	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
O	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		
P	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		
Q	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		
R	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		
S	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
T	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>U STORAGE AGREEMENTS</u>												
U	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, 2015

FERC Account	Description	Kentucky 32	Ohio 34	Maryland 35	Virginia 38	Massachusetts 80	Total
408	Taxes Other than Income Taxes	75.77	918.73	16,075.62	290.97	60.70	17,421.79
416	Costs and Expenses of Merchandising, Jobbing and Contract Work	-	-	128.07	-	-	128.07
426	Donations/Contributions	-	-	300.00	0.14	-	300.14
813	Other Gas Supply Expenses	-	-	-	-	-	-
852	Communications	99.64	-	-	-	-	99.64
870	Other Supervision and Engineering	-	48,625.40	86,536.68	2,097.40	-	137,259.48
871	Operations Dispatching	-	-	279.85	-	-	279.85
874	Mains and Services Expenses	43,606.15	20,251.21	122,580.22	2,432.93	(599.24)	188,271.27
875	Measuring and Regulating Station Expenses - General	-	-	6,919.28	-	-	6,919.28
876	Measuring and Regulating Station Expenses - Industrial	-	-	6,659.35	-	-	6,659.35
878	Meter and House Regulator Expenses	-	65.08	2,042.87	368.72	-	2,476.67
879	Customer Installations Expenses	-	2,703.48	4,962.98	578.80	-	8,245.26
880	Other Expenses	108.35	1,900.40	8,494.04	765.28	-	11,268.07
881	Rent	-	-	-	-	-	-
885	Maintenance Supervision and Engineering	-	472.85	-	39.90	-	512.75
886	Maintenance of Structures and Improvements	-	439.95	-	-	-	439.95
887	Maintenance of Mains.	8,076.97	7,566.39	40,474.92	35,551.30	106.35	91,775.93
889	Maintenance of Measuring and Regulating Station Equipment - General	332.96	-	8,108.61	179.49	-	8,621.06
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	-	-	503.31	-	-	503.31
892	Maintenance of Services	140.00	2,777.66	3,548.73	436.75	(0.84)	6,902.30
893	Maintenance of Meters and House Regulators	-	968.10	-	-	-	968.10
894	Maintenance of Other Equipment	4,117.51	7,519.34	23,005.93	1,561.70	-	36,204.48
902	Meter Reading Expense	-	39,798.48	11,950.64	965.92	-	52,715.04
903	Customer Records and Collection Expenses	-	190.58	403.23	379.89	-	973.70
908	Customer Assistance Expenses	-	20,304.05	-	-	-	20,304.05
920	Administrative and General Salaries	-	-	-	4,005.80	-	4,005.80
921	Office Supplies and Expense	2,151.62	396.50	2,327.55	2,026.61	-	6,902.28
923	Outside Services Employed	40,522.31	593,654.16	24.87	46.50	-	634,247.84
925	Injuries and Damages	14.48	206.16	1,472.61	41.50	14.10	1,748.85
926	Employee Pensions and Benefits	191.10	1,337.16	35,691.66	516.22	165.31	37,901.45
930	Miscellaneous General Expense	698.11	5,347.03	-	-	-	6,045.14
931	Rent Administration and General	-	203.18	7,304.63	-	-	7,507.81
932	Maintenance General Plant	249.78	1,257.46	-	-	-	1,507.24
Total Charges by Columbia Distribution Companies		100,384.75	756,903.35	389,795.65	52,285.82	(253.62) A	1,299,115.95

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, 2015

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	NISource Money Pool 99	Total
408	Taxes Other than Income Taxes	-	-	-	-	-	-	-
430	Interest on Debt to Associated Companies	-	-	-	-	27,493,703.18	145,965.34	27,639,668.52
803	Natural Gas Transmission Line Purchases	502,054.36	-	27,665,738.39	-	-	-	28,167,792.75
816	Wells Expense	-	-	-	-	-	-	-
817	Lines Expense	-	-	-	-	-	-	-
818	Compressor Station Expenses	-	-	-	-	-	-	-
820	Measuring and Regulating Station Expenses	-	-	-	-	-	-	-
821	Purification Expenses	-	-	-	-	-	-	-
834	Maintenance of Compressor Station Equipment	-	-	-	-	-	-	-
836	Maintenance of Purification Equipment	-	-	-	-	-	-	-
880	Other Expenses	-	3,192.00	-	-	-	-	3,192.00
881	Rent	-	-	-	-	-	-	-
902	Meter Reading Expense	-	-	-	-	-	-	-
920	Administrative and General Salaries	-	-	-	239,510.36	-	-	239,510.36
925	Injuries and Damages	-	-	-	-	-	-	-
926	Employee Pensions and Benefits	-	-	-	-	-	-	-
Total Charges by Miscellaneous Affiliated Companies		502,054.36	3,192.00	27,665,738.39	239,510.36	27,493,703.18	145,965.34	56,050,163.63

Columbia Gas Of Pennsylvania, Inc.
Summary of Contract Bill from NiSource Corporate Services
Twelve Months Ended November 30, 2015

FERC Account	Description	NiSource Corporate Services 12	Total
107	Construction Work In Progress	10,315,631.39	10,315,631.39
182	Other Regulatory Assets	113,830.99	113,830.99
186	Miscellaneous Deferred Debits	478.68	478.68
426	Other Deductions	4,231.82	4,231.82
807	Purchased Gas Expense	957,172.79	957,172.79
870	Other Supervision and Engineering	2,581,640.85	2,581,640.85
874	Mains and Services Expenses	446,154.53	446,154.53
875	Measuring and Regulating Station Expenses - General	60,985.92	60,985.92
876	Measuring and Regulating Station Expenses - Industrial	49,898.37	49,898.37
878	Meter and House Regulator Expense	243,162.78	243,162.78
879	Customer Installations Expenses	231,113.90	231,113.90
880	Other Operations Expense	50,565.93	50,565.93
885	Maintenance Supervision and Engineering	14,437.80	14,437.80
887	Maintenance of Main	104,804.39	104,804.39
889	Maintenance of Measuring and Regulating Station Equipment - General	60,948.63	60,948.63
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	60,821.32	60,821.32
892	Maintenance of Services	54,556.27	54,556.27
893	Maintenance of Meters and House Regulators	24,976.63	24,976.63
894	Maintenance of Other Equipment	134,374.53	134,374.53
903	Customer Records and Collection Expenses	5,955,873.15	5,955,873.15
907	Supervision	216.93	216.93
908	Customer Assistance Expenses	73,139.31	73,139.31
909	Informational and Instructional Advertising Expenses	202,425.16	202,425.16
910	Misc. Customer Service and Informational Expenses	804,623.98	804,623.98
912	Demonstrating and Selling Expenses	580,335.92	580,335.92
913	Advertising Expenses	25,570.75	25,570.75
920	Administrative and General Salaries	7,542,075.89	7,542,075.89
921	Office Supplies and Expense	756,759.97	756,759.97
923	Outside Services Employed	24,642,562.14	24,642,562.14
924	Property Insurance	226.35	226.35
925	Injuries and Damages	175,251.16	175,251.16
926	Employee Pensions and Benefits	4,495,185.99	4,495,185.99
930	Miscellaneous General Expense	293,730.93	293,730.93
931	Rent Administration and General	1,791,012.44	1,791,012.44
932	Maintenance General Plant	635,128.64	635,128.64
Total Charges for Contract Bill from NiSource Corporate Services		63,483,906.23	63,483,906.23

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	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

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. _____

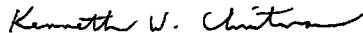
Dear Secretary McNulty:

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.

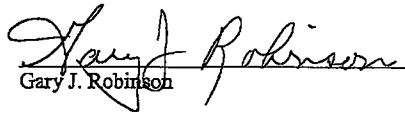
Provisions

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.

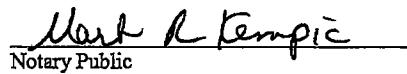
At the sole discretion of the managements of each of the foregoing companies, each company may sell property, materials, and supplies to another company when such a sale is deemed mutually beneficial. In the event of such a sale, the company receiving property, materials, or supplies shall be charged 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 day of August, 2000.


Notary Public



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

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.
- 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 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.

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. 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 benefited 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.



Mark R. Kempic
Senior Attorney
Legal Department

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Pittsburgh, PA 15226
(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,

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 in writing 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 Staudini mad
Title: _____

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Andrew J. Miller
Title: Assistant Secretary dk

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: <input type="checkbox"/> _____ Dth/Day (No Intra-month Swing) <input type="checkbox"/> From _____ to _____ Dth/day (Intra-month Swing)	Performance Obligation: Select One <input type="checkbox"/> Interruptible <input type="checkbox"/> Secondary Firm <input type="checkbox"/> 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:
P.O. 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

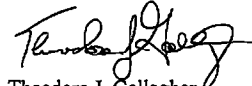
Re: Columbia Gas of Pennsylvania, Inc. – Affiliate Transaction

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 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: Stacy 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: <input type="checkbox"/> _____ MMBtus/____ (No Intra-month Swing) <input type="checkbox"/> From _____ to _____ MMBtus/day (Intra-month Swing)	Performance Obligation: Select One <input type="checkbox"/> Interruptible <input type="checkbox"/> Secondary Firm <input type="checkbox"/> Primary Firm <input type="checkbox"/> 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: _____

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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February 16, 1994

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

Mr. John G. Alford

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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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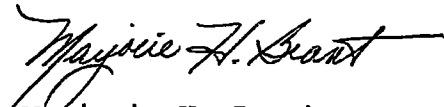
February 16, 1994

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

5

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

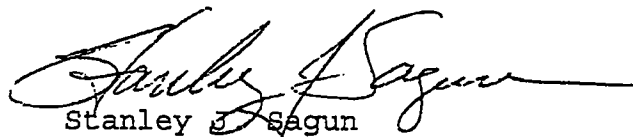
Dear Secretary Alford:

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

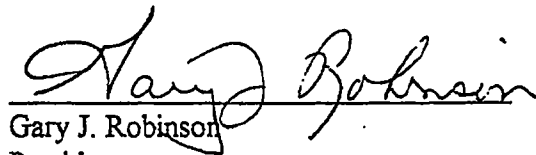
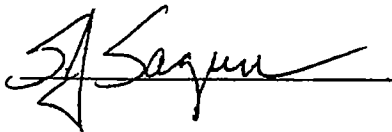
books and records available at all times for inspection by representatives of the other companies or by regulatory bodies having jurisdiction over them, and upon request, shall furnish any and all information required with respect to the services rendered, the costs thereof and the allocation of such 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:

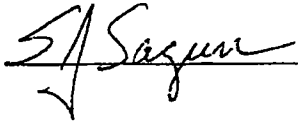
COLUMBIA GAS OF PENNSYLVANIA, INC.

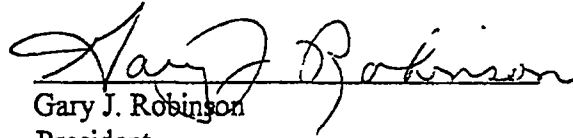


Gary J. Robinson
President

WITNESS:

COLUMBIA GAS OF MARYLAND, INC.



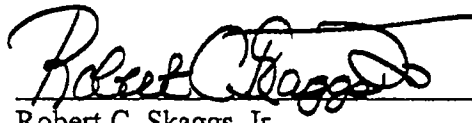


Gary J. Robinson
President

WITNESS:

COLUMBIA GAS OF OHIO, INC.

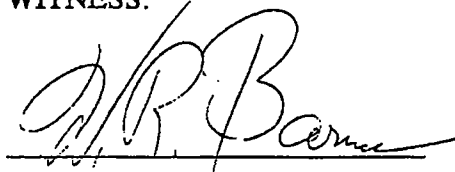


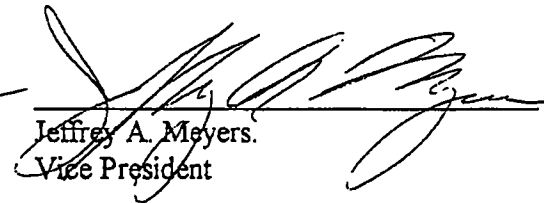


Robert C. Skaggs, Jr.
President

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;

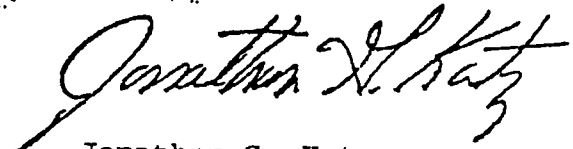
(2) A statement of all revenues derived from the Consumer Services Company activities authorized by this order both during the period covered and cumulatively, including information on the amount and percentage of revenues attributable to each category or type of service provided and a breakdown showing 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.



Jonathan G. Katz
Secretary

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

COPY

Morgan, Lewis
& Bockius LLP
COUNSELORS AT LAW

Michael W. Hassell
717-237-4024

February 10, 1998

RECEIVED

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
PA P.U.C.
PROTODIARY'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.

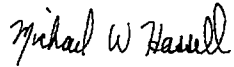
HA01/59741.1

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: Andrew J. Songora
Name: ANDREW J. SONGORA
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: Andrew J. Songora
Name: ANDREW J. SONGORA
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
COUNSELORS AT LAW

COPY

Michael W. Hassell
717-237-4024

February 10, 1998

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PA-PUC'S OFFICE
PROTHONOTARY'S OFFICE

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.

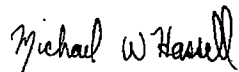
HAGL/59734.1

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: _____ *meap*
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 ^{to} ~~existing~~ maintenance procedures will be extended without change under this agreement.

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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SECRETARY'S BUREAU

**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.

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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.

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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]

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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.

NI SOURCE INC.

By: _____
Name:
Title:

NI SOURCE FINANCE CORP.

By: _____
Name:
Title:

NI SOURCE 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.

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Columbia Pipeline Corporation
Columbia Energy Power Marketing Corporation
Columbia Energy Retail Corporation
Columbia Service Partners, Inc.
Columbia Propane, L.P.

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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:

Money Pool Petition Overview of NiSource Money Pool

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SECRETARY'S BUREAU

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~~ ~~COLUMBIA GAS TRANSMISSION~~ *Shipper* *AMB* 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  SK

Title Vice President

COLUMBIA GULF TRANSMISSION COMPANY

By 

Title _____

Revision No.
Control No. 1993-10-02 - 0980

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  *EB*

Its Vice President

Date 3-9-94

COLUMBIA GULF TRANSMISSION COMPANY

By 

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 Barr
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>Transportation Demand</u>			
<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>Primary Receipt Points</u>					
<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>Primary Delivery Points</u>					
<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 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 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) 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 TMO 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:

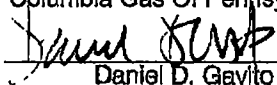
Columbia Gas Of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, OH 43215
ATTN: Scott Phelps

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: Daniel D. Gavito
V.P. Energy Supply Services
Title: _____
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.

Transportation Quantity 82,646 Dth/day

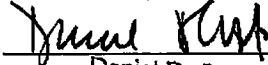
The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions is incorporated herein by reference for purposes of listing valid interruptible receipt points and delivery points.

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

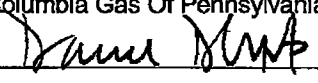
Revision No.
Control No. 2004-06-07-0004

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 Baus
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 Date</u>	<u>End Date</u>	<u>Transportation 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 W. 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 Barr

Title VP

Date 8/6/12

Approval as to form June 8/2/2012

COLUMBIA GAS TRANSMISSION, LLC

By Sherry Junch

Title Director Customer Services & Measurement

Date 8/1/12

KB jax

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)</u> <u>1/</u>	<u>Aggregate Daily Quantity 1/</u>	<u>Minimum Delivery Pressure (psig) 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 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 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 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 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 Barr
Title VP
Date 2/8/13

Reviewed by TML 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. 60676
 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	16,106			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)

6,000

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-Ernigsville
MDDO (Dth/day)

4,303

Measuring Point Number
600064
Measuring Point Name
CPA-Admiral
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-Abbotstown
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 2/18/13

COLUMBIA GAS TRANSMISSION, LLC
By Sherry French
Title Director, Customer Services
Date 2/14/13

Reviewed by TMR 2/15/2013

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 Barron
Title VP
Date May 30, 2013

Reviewed by me 6/15/2013

COLUMBIA GAS TRANSMISSION, LLC

By Michelle S. Mpa
Title VP, Customer Services & Navigates
Date May 29, 2013

Revision No. 7

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

Begin Date	End Date	Transportation Demand Dth/day	Recurrence Interval
November 1, 2013	October 31, 2017	13,332	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
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

Begin Date	End Date	Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/day) 1/	Minimum Delivery Pressure Obligation (psig) 1/	Recurrence Interval
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. 82810, 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-Beckmill - 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-Admiral - 1,178 dth/day
- 600263 - CPA Mont Alto - 511 dth/day
- 600270 - CPA-Abbotstown - 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. 82810 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 U. Leathner
Title VP
Date May 30, 2013

COLUMBIA GAS TRANSMISSION, LLC
By K. K. Miller
Title VP, Customer Services & Navigates
Date May 29, 2013

Received by TWR 6/18/2013

Revision No. 1
 Control No. 1998-07-27 - 0018

Appendix A to Service Agreement No. 56742
 Under Rate Schedule FTS

COLUMBIA GAS TRANSMISSION CORPORATION
 COLUMBIA GAS OF PENNSYLVANIA, INC.

Between (Transporter)
 and (Shipper)

Transportation Demand 13,334 Dth/day

Primary Receipt Points

F
 T
 C
 P
 S

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Quantity (Dth/Day)
A01	KENOVA AGGREG POINT	A01		0
B8	BROAD RUN	B8		3,334
S01	TCO-LEACH	S01		10,000

Revision No. 1
 Control No. 1999-07-27 - 0018

Appendix A to Service Agreement No. 58742
 Under Rate Schedule FT3
 COLUMBIA GAS TRANSMISSION CORPORATION
 COLUMBIA GAS OF PENNSYLVANIA, INC.

Between (Transporter)
 and (Shipper)

Primary Delivery Points

Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name	Maximum Daily Delivery Obligation (Dth/Day)
28E	COL GAS PA OP-04	28E		13,334

Revision No. 1
 Control No. 1888-07-27 - 0018

Appendix A to Service Agreement No. 56742

Under Rate Schedule FT5
 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. 4754 BETWEEN ~~SHIPPER~~ AND ~~SENDER~~ DATED MAY 1, 1988.
~~SHIPPER~~ SHIPPER TRANSPORTER SET
 THE MAXIMUM DAILY DELIVERY OBLIGATIONS (MDDOS) FOR THIS AGREEMENT ARE
 INCLUDED WITH THE MDDOS, DDQ'S AND AGGREGATE DAILY QUANTITIES (ADQS) IN
 AGREEMENT NO. 3888. UPON TERMINATION OF AGREEMENT NO. 3888, SENDER'S TRANSPORTER'S SET
 MAXIMUM DELIVERY OBLIGATIONS TO ~~SHIPPER~~ AT THE PRIMARY DELIVERY POINTS LISTED
 WILL BE AS FOLLOWS UNLESS OTHERWISE AGREED TO BY ~~SHIPPER~~ AND ~~SHIPPER~~.
~~SHIPPER~~ TRANSPORTER AND SHIPPER. SET

STATION NUMBER	STATION NAME	MDDO (DTH)
800054	CPA NORTH YORK	3,808
800057	RIDGE AVE HANOVER	1,178
800058	CPA BECKMILL ROAD	1,483
800061	GLENN ROCK	118
800082	SHREWSBURY	707
800063	CPA EMIGSVILLE	4,303
800054	CPA ADMIRE	1,178
800263	COL PA MONT ALTO	510
800270	CPA ABBOTTSTOWN	78

Revision No. 1
Control No. 1999-07-27 - 0018

Appendix A to Service Agreement No. 89742
Under Rate Schedule FTS
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, all other terms and conditions of said Service Agreement shall remain in full force and effect.

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: JK
Name: Gary J. Robinson
Title: Gary J. Robinson
President & Chief Executive Officer
Date: 8/26/99

COLUMBIA GAS TRANSMISSION CORPORATION

By: epj
Name: G. Todd Lilly
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) 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

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 *AD-1*

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:


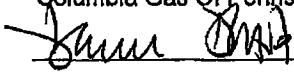
Columbia Gas Of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, OH 43215
ATTN: Scott Phelps

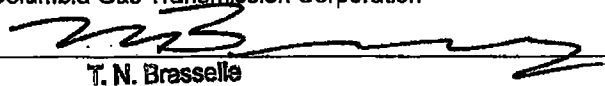
until changed by either party by written notice.

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.

Columbia Gas Of Pennsylvania, Inc. 
By: 
Name: Daniel D. Gavito
Title: 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

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

<u>Primary Receipt Points</u>			
Scheduling Point No.	Scheduling Point Name	Measuring Point No.	Measuring Point Name
801	TCO-LEACH	801	
			Maximum Daily Quantity (Dth/Day)
			1,800

Minimum Receipt Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/

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)	Design Daily Quantity (Dth/Day)	Aggregate Daily Quantity	Minimum Delivery Pressure Obligation (psig)	Hourly Flowrate (Dth/hour)
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:

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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: [Signature]
Name: _____
Title: Daniel D. Gavito
V.P. Energy Supply Services
Date: 10-7-04

Columbia Gas Transmission Corporation
By: [Signature]
Name: T. N. Brasselle
Title: MGR Customer Services
Date: OCT 18 2004

Exhibit No. 4
Schedule No. 11
Attachment S
Page 7 of 7
Witness: K. K. Miller

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 Bunn

Title VP

Date 5/16/12

COLUMBIA GAS TRANSMISSION, LLC

By [Signature]

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	400356	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	601336	ALBERT GALLATIN	87	87		150		04/01 - 09/30
June 1, 2012	March 31, 2020	25-26	COL GAS PA 08-26	601336	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

Exhibit No. 4
 Schedule No. 11
 Attachment T
 Page 4 of 26
 Witness: K. K. Miller

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	6,008	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

Exhibit No. 4
 Schedule No. 11
 Attachment T
 Page 5 of 26
 Witness: K. K. Miller

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		10/1 - 3/31
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 JEANNETTE	12,200	9,776		225		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600243	SOUTH JEANNETTE	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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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	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	600298	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	600476	GARDENER FARM	104	104		50		04/01 - 09/30
June 1, 2012	March 31, 2020	25-35	COL GAS PA 08-35	600476	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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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	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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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	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	26-35	COL GAS PA 08-35	601275	BROWNSVILLE	44	44		5		10/01 - 3/31
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 - 3/31
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 - 3/31
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 - 3/31
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 - 3/31
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 - 3/31
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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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	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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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	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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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	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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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	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	600188	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	2,395	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	6,954		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		80		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-35	600293	CLYMER	970	870		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 REFINNING	13	7		20		04/01 - 09/30
June 1, 2012	March 31, 2020	25-36	COL GAS PA 08-36	600616	KANDALL REFINNING	22	11		20		10/01 - 03/31

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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	25-36	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	400995	CPA PAY GAS	0					04/01 - 09/30
June 1, 2012	March 31, 2020	25-38	COL GAS PA 08-38	400995	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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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	25-38	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 - 09/30
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 - 09/30
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 - 09/30
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		60		04/01 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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 - 09/30
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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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	25-38	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	600946	ROLA DIV TME MUTER	11	11		5		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	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	61	61		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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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	600276	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	600488	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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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	26E-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	26E-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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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	26E-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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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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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	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	82		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	4,262	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 FT'S 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
185,036
211,909

1 LANCASTER, MARKET AREA 25
1+2+3 ADQ FOR AGGREGATES AREA 1 THROUGH 3

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 Barry

Title VP

Date 5/16/12

Approved as to form TMR 5/15/2012

COLUMBIA GAS TRANSMISSION, LLC

By [Signature]

Title Contracts Team head

Date 5-10-12

KB [Signature]

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:

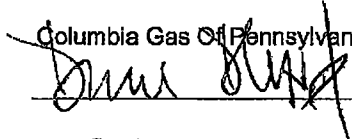
Columbia Gas Of Pennsylvania, Inc.
200 Civic Center Drive
Columbus, OH 43215
ATTN: Scott Phelps


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

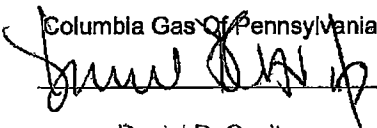
Yes No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

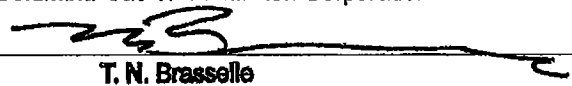
Yes No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

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: _____
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

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, 2015

Line No.	Cost Object	Type of Property	Total Rent & Leases \$	Type of Lease	Method
		Building Leases			
1	B251	Uniontown	35,472	5 Years	Per Lease Agreement
2	B255	Charleroi	25,524	5 Years	Per Lease Agreement
3	B255	Charleroi AMR Parking	3,000	5 Years	Per Lease Agreement
4	B257	Gettysburg Fire Training Facility	11,430	5 Years	Per Lease Agreement
5	B261	Rochester	61,200	2 Years	Per Lease Agreement
6	B266	Alpine Point	445,800	5 Years	Per Lease Agreement
7	B268	Canonsburg Headquarters	801,048	Month-to-Month	Per Lease Agreement
8	B269	Greencastle MOD	16,956	3 Years	Per Lease Agreement
9	B270	Harrisburg Office	19,308	3 Years	Per Lease Agreement
10	B271	Neville Island MOD	45,600	3 Years	Per Lease Agreement
11	B271	Neville Island Parking	9,600	3 Years	Per Lease Agreement
12	B274	York Construction Services	38,340	4 Years	Per Lease Agreement
13	B276	Greensburg Welding Facility	29,196	3 Years	Per Lease Agreement
14	B277	Somerset	40,704	5 Years	Per Lease Agreement
15	B277	Connellsville Construction Office	32,400	5 Years	Per Lease Agreement
16	B278	Strabane-Washington Construction	18,000	7 Years	Per Lease Agreement
17	B279	York	665,076	15 Years	Per Lease Agreement
18	B282	New Castle MOD	281,484	5 Years	Per Lease Agreement
19	B283	South Pittsburgh Construction Office	46,404	5 Years	Per Lease Agreement
20	B284	PA Central Additional MOD (Hornig)	66,000	1 Year	Per Lease Agreement
21	WP0000	Cranberry IRP/Construction	<u>38,940</u>	1 Year	Per Lease Agreement
22		Subtotal Annual Building Lease Rental	2,731,482		
		Property Taxes			
24	B-251	Uniontown PA Mod Site	1,276		
25	B-254	Foster Township Tax Collector on Bradford Mod (Owned by CPA)	3,257		
26	B-260	New Castle PA Mod Site (Former Facility)	1,927		
27	B-261	Rochester PA Op Center	3,740		
28	B-261	Rochester PA Op Center	16,172		
29	B-275	Washington PA Op Ctr (Owned by CPA)	<u>18,787</u>		
30		Total Building Property Taxes and Insurance	45,158		
		Other Charges			
32		Rental for Grove for Employee Picnic	100		
33		Rent for Compressor Station	2,250		
34		Hornig Rd Shop	20,572		
35		12X60 Rental Sanitary Waste Tank	8,955		
36					
37		Total Other Charges	<u>31,878</u>		
38		Total Building Leases	<u>2,808,518</u>		
39	5020	Vehicle Maintenance	430,320		
40	5030	Truck Maintenance	3,786,244		
41	5040	Tool Maintenance	<u>1,665,333</u>		
42		Total Autos & General Tools	5,881,897	Rental Per Unit	
		Other			
44	9215	Office Machines and Furniture	63,984	Various	
45	9231	Communications Equipment and Lines	69,492	Various	
46	9231	Communication Lines S/T	5,016	Various	
47	9231	Dedicated Telephone Lines	356,657	Various	
48	9235	Other	<u>281,770</u>	Various	
		Total Other	776,918		
49		Total Leases	<u>9,467,333</u>		

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, 2015

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$
1	NACE International - 2015 Membership Dues	1,576
2	Miscellaneous 2015 Membership Dues	716
3	Total Social and Service Club Organizations	<u>2,292</u>

COLUMBIA GAS OF PENNSYLVANIA, INC.
ACCOUNT 92300000 - OUTSIDE SERVICES EMPLOYED
ACCOUNT 92301000 - MANAGEMENT FEE ACTUAL - AFFILIATE
ACCOUNT 92301100 - MANAGEMENT FEE TRANSFERS
TWELVE MONTHS ENDED NOVEMBER 30, 2015, 2014, 2013

Line No.	Cost Element	Description	11/30/15 \$	11/30/14 \$	11/30/13 \$
1	1003	Labor - Regular Pay - Productive	(5)	29,126	0
2	1007	Labor - Non Productive	0	(4,871)	0
3	2017	Materials & Supplies - General	25,993	57,279	0
4	2500	IT Hardware	113	0	0
5	2503	Office Supplies	5	0	0
6	3000	Consultant Expenses	926,955	1,599,344	1,281,093
7	3001	Community Support	1,979	7,303	0
8	3002	Regulatory Legal Expenses	450,001	120,838	314,979
9	3003	Financial Statement Review	479,358	432,208	677,808
10	3004	R&D Contract Services	1,193	0	0
11	3007	Drug Testing	46,125	35,632	22,890
12	3008	Printing	3,615	5,557	9,395
13	3011	Short Term Temporary Employees	153,344	74,549	69,753
14	3012	Building and Property Security	0	758	418
15	3014	Environmental Haz/Spw Waste Disposal	11,849	(227)	(5,838)
16	3015	Other Outside Services	1,125,004	952,284	326,323
17	3016	Other Maintenance Services	(3,777)	12,023	5,136
18	3018	Courier Services (UPS, FedEx, Etc.)	412	1,403	1,797
19	3019	Telecommunication Equipment Repair	0	8,218	0
20	3021	Environmental Health & Safety Services	600	90	0
21	3024	Benefit Administration	410,996	0	0
22	3029	Services Transferred	(95)	0	0
23	3031	Outsourcing Variable Cst-ARCs	41,315	0	0
24	3038	Request for Service-RFS	35,174	0	0
25	3040	Outsourcing Act Fixed Costs	48,682	0	0
26	3077	CheckFree Service Charge	0	35	0
27	3081	CAP Administration Costs	281,889	381,213	181,920
28	3082	CAP Initial Application	55,415	489,215	158,232
29	3083	CAP Education	23,398	22,010	31,547
30	3084	Weatherization/RCS Expenses	0	21,622	30,550
31	3100	Business Expenses	1,815	455	0
32	3101	Meals 100 Deductible	2,612	0	0
33	3102	Meals (Meetings & Entertainment)	132	0	24
34	3260	Billings from Others	556	0	0
35	3300	Amortization Charges	408,244	434,679	181,116
36	3503	PAC/Lobbying	102,143	25,440	0
37	3600	Fees, License, Permits	366	80	0
38	3601	Postage & Postage Fees	1,711	30,574	0
39	3637	Training	45,520	0	0
40	3638	Other Expenses - General	(60,449)	(50,558)	(67,378)
41	3654	Deferred Charges	(34,456)	(604,122)	(220,340)
42	4522	Salvage Other	(6,965)	(1,992)	0
43	4531	Manual Accruals	12,715	0	0
44	5001	Repair of Furnishings	279	(2,856)	0
45	5010	Building Maintenance	6,131	2,067	0
46	7001 *	Management Services	24,642,562	37,559,513	31,133,865
47	9000	Labor Transfers	16,621	0	0
48	9001	Benefit OH Transfers	12,601	0	0
49	9022	Medical - Active	185	0	0
50	9215	Leases - Office Machine Furniture	56,237	0	0
51	9232	Leases - Rent Expense	4,690	0	0
52		Total Account 923 Outside Services Employed	<u>29,332,785</u>	<u>41,638,869</u>	<u>34,133,290</u>

* Due to changes resulting from the implementation of a new general ledger system across NISource, the FERC accounts used for charges from NCSC have changed. Historically, most NCSC charges on the operating companies were classified as FERC account 923-Outside Services. A recent FERC audit recommended that the operating companies' classification of NCSC charges match with the service company classification from a FERC account perspective. Due to that recommendation, the changes available with the new PeopleSoft general ledger and processing of the NCSC charges, the operating companies changed the classification of service company charges where possible from 923 to the specific FERC account representative of the work being performed.

COLUMBIA GAS OF PENNSYLVANIA, INC.
ACCOUNT 92800000 - REGULATORY COMMISSION EXPENSE
TWELVE MONTHS ENDED NOVEMBER 30, 2015, 2014, 2013

<u>Line No.</u>	<u>Cost Element</u>	<u>Description</u>	<u>11/30/15</u> \$	<u>11/30/14</u> \$	<u>11/30/13</u> \$
1	9635	PUC Maintenance Fee	1,916,606	1,547,381	1,359,844
2	9617	Consumer Advocate Fee	178,922	173,314	188,579
3	9636	Small Business Advocate	<u>55,377</u>	<u>46,740</u>	<u>46,400</u>
4		Total Account 928	<u>2,150,906</u>	<u>1,767,435</u>	<u>1,594,824</u>

COLUMBIA GAS OF PENNSYLVANIA, INC.
ACCOUNT 93010000 ADVERTISING EXPENSE - ACCOUNT 93020000 MISCELLANEOUS GENERAL EXPENSE
TWELVE MONTHS ENDED NOVEMBER 30, 2015, 2014, 2013

Line No.	Cost Element	Description	11/30/15 \$	11/30/14 \$	11/30/13 \$
1	2004	Material & Supplies - Freight	199	84	0
2	2017	Other Materials & Supplies	4,006	0	0
3	3001	Safety Advertising	0	0	250
4	3001	Community Support	175,320	274,219	153,990
5	3001	Advertising	0	0	14,537
6	3008	Printing - Reproduction Services	16,886	0	0
7	3015	Research & Development Contract Services	1/ 212,290	207,674	197,000
8	3018	Personnel Cargo Transportation	31	0	0
9	3100	Employee Expenses - Business Expenses	0	3	0
10	3500	Charitable Contributions	800	0	0
11	3501	Industry Associations	193,318	145,557	125,722
12	3600	Misc. & Other Expenses - Fees, Licenses, Permits	0	100	0
13	3601	Postage & Postage Fees	447	0	0
14	3638	Miscellaneous	528	0	0
15	3925	Misc. & Other Expenses - Water & Sewage Bills	0	163	0
16	7001	Corporate Services	293,731	0	0
17	9235	Rents - Other	63	0	0
18	Total Account 93010000 Advertising & 93020000 Miscellaneous General Expense		<u>897,618</u>	<u>627,799</u>	<u>491,499</u>

1/ Twelve Months Ended November 30, 2015 includes \$207,674 for GTI expense.

Exhibit No. 4
Schedule No. 15
Page 1 of 1
Witness: K. K. Miller

COLUMBIA GAS OF PENNSYLVANIA, INC
53.53 Ill. 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.

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u> \$
	<u>CHARITABLE ORGANIZATIONS</u>	
1	United Way of Lawrence County	(325)
2	African American Chamber of Commerce	225
3	Misc.	750
4	Governor Wolf Inauguration	<u>5,000</u>
5	Total Charitable Organizations (A rate making adjustment has removed this from claim.)	<u><u>5,650</u></u>

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		\$
<u>CIVIC CONTRIBUTIONS</u>		
1	ADAMSBURG AND COMMUNITY VFD	100.00
2	ALLEGHENY LEAGUE OF	325.00
3	AMBRIDGE LEGION POST 341	500.00
4	AMBRIDGE VOLUNTEER FIRE DEPARTMENT	500.00
5	AMERICAN CANCER SOCIETY	525.00
6	AMERICAN HEART ASSOC INC	2,500.00
7	AMERICAN RED CROSS	4,000.00
8	AMERICAN RED CROSS SWPA	7,000.00
9	BEAVER AREA HERITAGE FOUNDATION	4,300.00
10	BEAVER CO CHAMBER OF COMMERCE	500.00
11	BEAVER COUNTY CANCER AND HEART ASSOC	600.00
12	BEAVER COUNTY CHAMBER OF COMMERCE	(3,850.00)
13	BEAVER COUNTY HUMANE SOCIETY	1,520.00
14	BEAVER VOLUNTEER FIRE DEPT	500.00
15	BELLEVUE BOROUGH POLICE DEPT	250.00
16	BELLEVUE VOLUNTEER FIRE COMPANY	500.00
17	BIG BOBS BBQ	300.00
18	BOROUGH OF AVALON	500.00
19	BOROUGH OF NEW BRIGHTON	500.00
20	BRIDGEWATER VOLUNTEER FIRE DEPARTMENT	500.00
21	CANONSBURG JULY FOURTH CELEBRATION INC	1,000.00
22	CARRICK COMMUNITY COUNCIL	2,000.00
23	CASTLE SHANNON FIREMENS RELIEF ASSOCIAT	3,300.00
24	CASTLE SHANNON REVITALIZATION CORP	500.00
25	CCBC FOUNDATION	200.00
26	CECIL TOWNSHIP VOLUNTEER FIRE	1,000.00
27	CECIL TOWNSHIP VOLUNTEER FIRE COMPANY #1	500.00
28	CHARITABLE DEEDS AND SERVICES	1,000.00
29	CHILD HEALTH ASSOCIATION OF SEWICKLEY	1,500.00
30	CHILDRENS HOSPITAL OF PITTSBURGH FOUNDAT	1,200.00
31	CHIPPEWA UNITED METHODIST CHURCH	245.00
32	CLARION COUNTY TRAILS ASSOCIATION	500.00
33	CLEARWATER CONSERVANCY OF CENTRAL PENNSY	1,450.00
34	COMMUNITY ACTION SOUTHWEST	2,000.00
35	CONSERVATION CONSULTANTS INC	720.00
36	CORAOPOLIS VOLUNTEER FIRE DEPARTMENT	500.00
37	CRANBERRY COMMUNITY UNITING	1,000.00
38	CRAY YOUTH AND FAMILY SERVICES INC	150.00
39	CRISIS SHELTER OF LAWRENCE COUNTY	1,500.00
40	DAY OF CARING/COORD. OF ORIGIN	(400.00)
41	DERRICK CITY VFD	100.00
42	DESTINATIONS BRADFORD	1,500.00
43	DOLLAR ENERGY FUND INC	177,500.00
44	DONORA VFD	500.00
45	EAST BETHLEHEM VOLUNTEER FIRE COMPANY	(500.00)
46	EMERGENCY EXERCISE/EQUIPMENT	(160.76)
47	EMERGENCY FOOD ASSISTANCE GRANT	2,000.00

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		\$
	<u>CIVIC CONTRIBUTIONS</u>	
48	EMSWORTH VOLUNTEER FIRE COMPANY INC	500.00
49	EVERGREEN FIRE CO	500.00
50	FAIR OAKS VOLUNTEER FIRE	2,500.00
51	FAIRVIEW VOLUNTEER FIRE DEPARTMENT INC	500.00
52	FAYETTE FESTIVALS COM LLC	2,500.00
53	FBI NATIONAL ACADEMY ASSOCIATES	1,200.00
54	FIRST RESPONDERS FIRE SCHOOL	(365.00)
55	FOREST GROVE VFD	500.00
56	GALLATIN-SUNNYSIDE VOLUNTEER FIRE DEPART	500.00
57	GETTYSBURG BATTLEFIELD PRESERVATION ASSO	1,000.00
58	GEYER PRINTING ARTS CENTER	1,000.00
59	GLENDALE HOSE COMPANY NO 1 OF SCOTT TOWN	500.00
60	GRANTLEY FIRE COMPANY	3,300.00
61	GREATER BRADFORD SENIOR ACTIVITY CENTER	1,300.00
62	GREENE COUNTY	250.00
63	HANOVER VOLUNTEER FIRE DEPT	500.00
64	HARRISVILLE VOLUNTEER FIRE COMPANY	500.00
65	HIGHLAND RIDGE COMMUNITY DEVELOPMENT COR	1,000.00
66	HOPEWELL TOWNSHIP VOLUNTEER	500.00
67	HOUSING AUTHORITY OF BEAVER COUNTY	550.00
68	HUMAN SERVICES CENTER	2,000.00
69	IMPERIAL VOLUNTEER FIRE DEPARTMENT	500.00
70	JUVENILE DIABETES RESEARCH	1,000.00
71	KEATING FIRE COMPANY OF ROSS TOWNSHIP	500.00
72	KIRWAN HEIGHTS VOLUNTEER FIREMANS ASSOCI	500.00
73	LAUGHLIN MEMORIAL LIBRARY	530.00
74	LAWRENCE COUNTY CHAMBER OF COMMERCE	200.00
75	MAIN STREET GETTSBURG SUPPORT	(3,500.00)
76	MCDONALD VOLUNTEER FIRE DEPT	500.00
77	MCGUIRE MEMORIAL FOUNDATION	4,500.00
78	MCKEES ROCKS COMMUNITY DEVELOPMENT CORP	3,000.00
79	MCKEES ROCKS INDEPENDENT FIRE DEPT	500.00
80	MONACA 4 VOLUNTEER FIRE DEPARTMENT	500.00
81	MONITEAU SCHOOL DISTRICT	250.00
82	NATIONAL MS SOCIETY	2,500.00
83	NEVILLE ISLAND VFD	500.00
84	NEW CASTLE ROTARY 89	250.00
85	NEW YEARS EVE DOWNTOWN GETTSBURG	1,000.00
86	NUTRITIOUS MEALS AT NOON PROGRAM	1,500.00
87	PA COUNCIL OF FEEDING AMERICA	7,500.00
88	PEEBLES VOLUNTEER FIRE COMPANY	500.00
89	PELTONIA LLC	2,500.00
90	PENN SOIL RESOURCE CONSERVATION AND DEV	500.00
91	PENNSYLVANIA CHAMBER OF	(13,125.00)
92	PENNSYLVANIA COUNCIL OF FEEDING AMERICA	(2,500.00)
93	PENNSYLVANIA FFA FOUNDATION	7,500.00
94	PERRYSVILLE VOLUNTEER FIRE COMPANY	500.00

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		\$
	<u>CIVIC CONTRIBUTIONS</u>	
95	PINE RUN VOLUNTEER FIRE DEPARTMENT	500.00
96	PINK TIE AFFAIR	125.00
97	PITTSBURGH AIRPORT AREA CHAMBER ENTERPRISE	710.00
98	PITTSBURGH COMMUNITY BROADCASTING CORP	5,000.00
99	PITTSBURGH METRO FOOLS	1,000.00
100	POTTER TWP VFD	500.00
101	PREVENT AND PREPARE SOCIAL MEDIA	3,000.00
102	PREVENT AND PREPARE SOCIAL MEDIA	(3,000.00)
103	QUAIL DISTRICT FIREMENS ASSOCIATION	500.00
104	REFRESHMENT REP. MARSHALL	365.00
105	RICHEYVILLE VOLUNTEER FIRE COMPANY INC	500.00
106	RICHHILL VFD	500.00
107	ROBINSON TOWNSHIP VOLUNTEER FIRE CO #1	500.00
108	ROCHESTER CHAMBER OF COMMERCE	250.00
109	ROCHESTER TOWNSHIP	500.00
110	ROCHESTER VOLUNTEER FIRE DEPARTMENT	500.00
111	SALVATION ARMY	10,000.00
112	SERGEANT JOSHUA RIMER MEMORIAL FUND	250.00
113	SOUTH STRABANE TOWNSHIP	500.00
114	SOUTHPOINTE CEO ASSOCIATION	450.00
115	SOUTHWESTERN PENNSYLVANIA AREA AGENCY ON	1,000.00
116	SPRINGDALE VOLUNTEER FIRE DEPARTMENT	500.00
117	STOCKDALE VOLUNTEER FIRE DEPARTMENT	500.00
118	T & P PARTY SUPPLY	100.00
119	THE BRADFORD HOUSE	5,000.00
120	THE LEMOYNE COMMUNITY CENTER	500.00
121	TOWN OF MCCANDLESS	100.00
122	TRUCKS FOR MADDOX CHARITABLE	500.00
123	TRWIB INC	2,000.00
124	TUSCARORA AREA CHAMBER OF COMMERCE	700.00
125	UNITED WAY	826.00
126	UNITED WAY OF WESTMORELAND CO	293.19
127	UNITED WAY OF YORK COUNTY	5,000.00
128	UNIVERSITY OF PITTSBURGH	1,100.00
129	URBAN LEAGUE OF GREATER PITTSBURGH	3,000.00
130	VOLUNTEER FIRE COMPANY OF MT LEBANON INC	500.00
131	WARREN FOREST ELDERCARD COUNCIL	400.00
132	WASHINGTON COUNTY CHAMBER OF COMMERCE	2,000.00
133	WESLEY SPECTRUM	350.00
134	WEST ALLEGHENY MINISTERIUM ASSOCIATION	500.00
135	WEST FINLEY VFC	500.00
136	WESTERN PENNSYLVANIA CULTURAL	250.00
137	WEXFORD VOLUNTEER FIRE COMPANY	500.00
138	WINTERFEST WARREN COUNTY	500.00
139	WOODWARDS ORCHARD	(135.00)
140	WSHH	250.00
141	YOUNGWOOD VOLUNTEER HOSE CO 1	100.00

Line No.	<u>Description</u>	<u>Amount</u>
	<u>CIVIC CONTRIBUTIONS</u>	\$
142	Total Civic Contributions (Recorded in Account 426, not included in rate claim)	<u><u>310,698.43</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, 2015, 2014 AND 2013

Line No.		November 30, 2015		November 30, 2014		November 30, 2013	
		Amount \$	Percent %	Amount \$	Percent %	Amount \$	Percent %
	GAS PURCHASED EXPENSE						
1	401200 Operation	<u>210,301,632</u>	100.00%	<u>244,008,391</u>	100.00%	<u>239,845,542</u>	100.00%
	OTHER GAS SUPPLY EXPENSES						
2	401200 Operation	957,173	0.57%	873,279	0.55%	1,344,203	1.03%
	UNDERGROUND STORAGE						
3	401200 Operation	160,521	0.10%	434,085	0.27%	381,610	0.29%
4	402200 Maintenance	<u>10,538</u>	<u>0.01%</u>	<u>29,325</u>	<u>0.02%</u>	<u>61,716</u>	<u>0.05%</u>
5	Total	<u>171,060</u>	<u>0.10%</u>	<u>463,409</u>	<u>0.29%</u>	<u>443,326</u>	<u>0.34%</u>
	DISTRIBUTION						
6	401200 Operation	35,799,044	21.47%	36,318,792	23.01%	31,177,367	23.92%
7	402200 Maintenance	<u>19,110,832</u>	<u>11.46%</u>	<u>17,589,026</u>	<u>11.14%</u>	<u>16,054,303</u>	<u>12.32%</u>
8	Total	<u>54,909,875</u>	<u>32.94%</u>	<u>53,907,818</u>	<u>34.15%</u>	<u>47,231,670</u>	<u>36.23%</u>
	CUSTOMER ACCOUNTS						
9	401200 Operation	33,252,382	19.95%	32,570,684	20.63%	25,002,918	19.18%
	CUSTOMER SERVICE & INFORMATION						
10	401200 Operation	12,710,791	7.62%	9,121,558	5.78%	6,430,835	4.93%
	SALES PROMOTION						
11	401200 Operation	605,907	0.36%	617,197	0.39%	674,134	0.52%
	ADMIN. & GENERAL						
12	401200 Operation	63,048,478	37.82%	60,125,214	38.09%	49,221,364	37.76%
13	402200 Maintenance	<u>1,062,348</u>	<u>0.64%</u>	<u>180,430</u>	<u>0.11%</u>	<u>0</u>	<u>0.00%</u>
14	Total	<u>64,110,826</u>	<u>38.45%</u>	<u>60,305,643</u>	<u>38.20%</u>	<u>49,221,364</u>	<u>37.76%</u>
15	Subtotal (Lines 2+5+8+9+10+11+14)	166,718,012	100.00%	157,859,589	100.00%	130,348,450	100.00%
16	Total Operation and Maintenance Expenses (Lines 1+15)	<u>377,019,645</u>		<u>401,867,980</u>		<u>370,193,992</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, 2015, 2014, 2013, & 2012

		12 Months Ended			
		11/30/15	11/30/14	11/30/13	11/30/12
		\$	\$	\$	\$
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	19,110,832	17,589,026	16,054,303	14,715,132
	Gross Distribution Plant	1,765,325,927	1,549,532,523	1,371,529,346	1,220,660,914
	Customers	420,657	418,450	416,110	414,180
	Per Customer	45.43	42.03	38.58	35.53
	Per \$1,000 of Gross Distribution Plant	10.83	11.35	11.71	12.06
IV	Storage Maintenance Expenses	<u>1/</u> 10,538	29,325	61,716	33,863
	Gross Storage Plant	<u>1/</u> 5,790,983	5,785,138	4,775,396	3,886,226
	Mmcf of Storage Capacity	30	30	30	30
	Per Mmcf of Storage Capacity	351	977	2,057	1,129
	Per \$1,000 of Gross Storage Plant	1.82	5.07	12.92	8.71

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 2015, 2014, 2013.

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2015, 2014 AND 2013

	TME <u>Nov. 15</u> \$	TME <u>Nov. 14</u> \$	TME <u>Nov. 13</u> \$
GAS PURCHASED EXPENSE			
401200 Operation	210,301,632	244,008,391	239,845,542
402200 Maintenance	0	0	0
Total	<u>210,301,632</u>	<u>244,008,391</u>	<u>239,845,542</u>
OTHER GAS SUPPLY EXPENSES			
401200 Operation	957,173	873,279	1,344,203
402200 Maintenance	0	0	0
Total	<u>957,173</u>	<u>873,279</u>	<u>1,344,203</u>
UNDERGROUND STORAGE			
401300 Operation	160,521	434,085	381,610
402300 Maintenance	10,538	29,325	61,716
Total	<u>171,060</u>	<u>463,409</u>	<u>443,326</u>
DISTRIBUTION			
401400 Operation	35,799,044	36,318,792	31,177,367
402400 Maintenance	19,110,832	17,589,026	16,054,303
Total	<u>54,909,875</u>	<u>53,907,818</u>	<u>47,231,670</u>
CUSTOMERS ACCOUNTS			
401400 Operation	33,252,382	32,570,683	25,002,918
402400 Maintenance	0	0	0
Total	<u>33,252,382</u>	<u>32,570,683</u>	<u>25,002,918</u>
CUSTOMERS SERVICE & INFORMATION			
401400 Operation	12,710,791	9,121,558	6,430,835
402400 Maintenance	0	0	0
Total	<u>12,710,791</u>	<u>9,121,558</u>	<u>6,430,835</u>
SALES			
401400 Operation	605,907	617,197	674,134
402400 Maintenance	0	0	0
Total	<u>605,907</u>	<u>617,197</u>	<u>674,134</u>
ADMINISTRATIVE & GENERAL			
401400 Operation	63,048,478	60,125,214	49,221,364
402400 Maintenance	1,062,348	180,430	0
Total	<u>64,110,826</u>	<u>60,305,644</u>	<u>49,221,364</u>
GRAND TOTAL O&M	377,019,645	401,867,980	370,193,992

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2015, 2014 AND 2013

ACCT NO.	<u>OTHER GAS SUPPLY</u>	TME <u>Nov. 15</u> \$	TME <u>Nov. 14</u> \$	TME <u>Nov. 13</u> \$	
401300 OPERATION					
807	Other Purchased Gas Expense	*	959,756	878,461	1,369,000
807	Other Purchased Gas Expense - Brokerage Fees	*	(2,583)	(5,182)	(24,797)
	TOTAL OTHER GAS SUPPLY EXPENSE		<u>957,173</u>	<u>873,279</u>	<u>1,344,203</u>
401999 PURCHASED GAS SOLD					
801	Natural Gas Field Line Purchases		383,365	622,458	627,772
803	Natural Gas Transmission Line Purchases		148,777,876	240,202,108	237,583,097
804	Natural Gas City Gate Purchases		19,905,349	23,558,425	22,412,942
805	Other Gas Purchases		23,025,842	(1,384,066)	11,202,864
806	Exchange Gas		(7,026,860)	(16,352,326)	(5,370,346)
807	Other Purchased Gas Expense - Brokerage Fees	*	2,583	5,182	24,797
808.1	Gas Withheld From Storage Dr		88,222,986	101,786,922	80,058,340
808.2	Gas Delivered To From Storage Cr		(62,562,714)	(104,007,776)	(106,330,731)
812	Gas Used for Other Utility Oper.		(426,795)	(422,985)	(363,193)
813	Exchange Fees		<u>0</u>	<u>450</u>	<u>0</u>
	TOTAL PURCHASED GAS SOLD		210,301,632	244,008,391	239,845,542

* 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 2015, 2014 AND 2013

<u>ACCT NO.</u>	<u>UNDERGROUND STORAGE</u>	<u>TME Nov. 15</u> \$	<u>TME Nov. 14</u> \$	<u>TME Nov. 13</u> \$
401400 OPERATION				
816	Well Expenses	6,332	2,514	5,052
817	Line Expenses	10,276	7,926	12,527
818	Compressor St Exp	129,763	396,959	328,009
819	Compressor St Fuel & Power	0	0	0
820	Meas & Regulator Exp	4,375	10,673	22,550
821	Purification	1,002	6,263	4,111
823	Gas Losses	2,830	3,775	3,385
825	Storage Well Royalties	5,938	5,976	5,976
825	Storage Well Royalties	5	0	0
	TOTAL OPERATION	160,521	434,085	381,610
402400 MAINTENANCE				
832	Maintenance Reservoirs & Wells	2,392	10,156	12,263
834	Compressor Station Equipment	2,703	10,321	19,688
836	Purification Equipment	5,443	8,848	29,765
	TOTAL MAINTENANCE	10,538	29,325	61,716
	TOTAL STORAGE	171,060	463,409	443,326

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2015, 2014 AND 2013

<u>ACCT</u> <u>NO.</u>	<u>DISTRIBUTION</u>	TME <u>Nov. 15</u> \$	TME <u>Nov. 14</u> \$	TME <u>Nov. 13</u> \$
401600 OPERATION				
852	Communication System Exp Scada	100	3,163	0
870	Operation Supervision & Engineering	6,537,044	8,613,274	4,839,673
871	Distribution Load Dispatching	171,925	254,116	159,607
874	Mains & Services Expenses	14,637,922	13,212,408	12,477,823
875	Meas. & Reg. Station Expense-General	423,104	551,207	629,135
876	Meas. & Reg. Station Expense-Industrial	257,941	237,568	230,796
878	Meter & House Regulators Expense	2,295,119	2,157,540	2,121,735
879	Customer Installation Expense	5,328,522	4,873,678	4,637,354
880	Other Expense	5,912,238	6,140,978	5,801,069
881	Rents	235,129	274,859	280,175
	TOTAL OPERATION	35,799,044	36,318,792	31,177,367
402600 MAINTENANCE				
885	Maintenance Supervision & Engineering	60,850	76,624	75,557
886	Maintenance of Structures & Improvements	138,244	32,483	36,009
887	Maintenance of Mains	13,118,084	14,422,440	12,136,396
889	Maint. of Meas. & Reg Station Equipment-General	829,231	453,590	498,234
890	Maint. of Meas. & Reg Station Equipment-Industrial	157,932	162,986	131,010
892	Maintenance of Services	3,612,145	1,291,465	2,039,674
893	Maintenance of Meter & House Regulators	245,192	223,820	257,518
894	Maintenance of Other Equipment	949,155	925,618	879,905
	TOTAL MAINTENANCE	19,110,832	17,589,026	16,054,303
	TOTAL DISTRIBUTION EXPENSE	54,909,875	53,907,818	47,231,670

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2015, 2014 AND 2013

<u>ACCT NO.</u>	<u>CUSTOMER ACCOUNTS</u>	TME <u>Nov. 15</u> \$	TME <u>Nov. 14</u> \$	TME <u>Nov. 13</u> \$
401700 OPERATION				
901	Supervision	0	0	0
902	Meter Reading Expense	727,935	767,874	882,863
903	Customer Records & Collections	9,119,167	8,619,072	8,451,187
904	Uncollectible Accounts	23,386,053	23,159,466	15,649,416
905	Miscellaneous Customer Accounts Expense	19,226	24,271	19,452
	TOTAL CUSTOMER ACCOUNTS EXPENSE	33,252,382	32,570,683	25,002,918
CUSTOMER SERVICE & INFORMATION				
401800 OPERATION				
907	Supervision	217	0	0
908	Customer Assistance	11,703,525	8,080,261	5,425,922
909	Informational & Instructional Expense	202,425	64,826	69,181
910	Misc Customer Service & Information Expense	804,624	976,471	935,732
	TOTAL CUSTOMER SERVICE EXPENSE	12,710,791	9,121,558	6,430,835
SALES EXPENSE				
401400 OPERATION				
911	Supervision	0	0	0
912	Demonstration	580,336	599,921	614,495
913	Advertising	25,571	17,276	59,639
916	Miscellaneous	0	0	0
	TOTAL SALES EXPENSE	605,907	617,197	674,134

COLUMBIA GAS OF PENNSYLVANIA, INC
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED NOVEMBER 2015, 2014 AND 2013

ACCT NO.	ADMINISTRATIVE & GENERAL	TME Nov. 15 \$	TME Nov. 14 \$	TME Nov. 13 \$
	401900 OPERATION			
920	** Administrative & General Salaries	12,435,661	4,345,968	3,532,685
921	Office Supplies & Expenses	2,054,352	1,870,032	889,382
922	Administrative Expense-Transfer Credit	0	0	0
923	** Outside Services Employed	29,332,785	41,638,887	34,133,297
924	Property Insurance	148,213	178,270	218,171
925	Injuries & Damages	3,022,111	2,849,000	2,870,656
926	** Employee Pensions & Benefits	10,006,827	6,257,032	4,869,514
928	Regulatory Commission Expense	2,150,906	1,767,435	1,594,822
930	** Miscellaneous General Expense	897,618	627,799	491,499
931	** Rents	3,000,004	590,791	621,338
	Total Operation	63,048,478	60,125,214	49,221,364
	402900 MAINTENANCE			
932	** Maintenance of General Plant	1,062,348	180,430	0
	Total Maintenance	1,062,348	180,430	0
	TOTAL ADMINISTRATIVE & GENERAL EXPENSE	64,110,826	60,305,644	49,221,364
	TOTAL OPERATION & MAINTENANCE EXPENSE	377,019,645	401,867,980	370,193,992

** Due to changes resulting from the implementation of a new general ledger system across NiSource, the FERC