

1 **Q. Please state your name and business address.**

2 **A.** My name is Kimberly K. Cartella, and my business address is 3101 North Ridge Road
3 East, Lorain, OH 44055.

4 **Q. By whom are you employed and in what capacity?**

5 **A.** I am employed by NiSource Corporate Services Company (“NCSC”) as the Manager
6 Compensation. I develop and implement strategies for compensation and other
7 plans provided to the employees of NiSource Inc. (“NiSource”) and its subsidiaries,
8 including Columbia Gas of Pennsylvania (“CPA” or the “Company”).

9 **Q. Please describe your educational background and professional**
10 **experience.**

11 **A.** I received a Bachelor of Science degree in Financial Planning from Purdue University
12 in 1992. I am a certified Professional in Human Resources (“PHR”) and a Certified
13 Compensation Professional (“CCP”). I have worked for NiSource in a human
14 resources capacity since 1999.

15 I have held the position of Manager Compensation at NiSource since October 2010.
16 Prior to that, I was a Senior Compensation Analyst, a Senior Human Resource
17 Consultant, and a College Recruiter.

18 **Q. Have you previously submitted testimony in matters before the**
19 **Pennsylvania Public Utility Commission (“Commission”)?**

20 **A.** Yes. I previously submitted rebuttal testimony in CPA’s base rate proceedings at
21 Docket No. R-2015-2468056 and Docket No. R-2016-2529660.

1 **Q. What is the purpose of your rebuttal testimony?**

2 I will respond to the testimony served in this proceeding by the Bureau of
3 Investigation and Enforcement (“I&E”) witness D.C. Patel regarding direct employee
4 profit sharing and stock award expense and NCSC-shared services’ allocated profit
5 sharing and stock awards expense. I will also respond to the testimony served in this
6 proceeding by Office of Consumer Advocate (“OCA”) witness Dante Mugrace with
7 respect to direct and NCSC allocated stock awards, profit sharing, and incentive
8 compensation.

9 **Q. Please briefly describe the position of Mr. Patel regarding profit sharing
10 and stock awards.**

11 A. Mr. Patel proposed disallowing the Company’s entire profit sharing and stock awards
12 expense for Columbia employees. He references the 2010 NiSource Omnibus
13 Incentive Plan and states that ratepayers should not be responsible for paying a
14 benefit available only to certain high-level executives. He also proposes disallowing
15 100% of the Company’s allocated portions of both profit sharing and stock awards
16 that are included in NCSC-Shared Services from the determination of the Company’s
17 revenue requirement because he claims that payouts appear to be independent of
18 quality of service, efficiency, or safety goals.

19 **Q. Please briefly describe the position of Mr. Mugrace regarding profit
20 sharing, stock awards, and incentive compensation.**

1 A. Mr. Mugrace proposed disallowing the costs associated with the Company's profit
2 sharing, stock awards, and incentive compensation. Mr. Mugrace states that
3 "ratepayers should not be charged costs related to stock awards" then states that "the
4 Company has not provided any reason that these stock awards benefit ratepayers."
5 He also recommends that incentive compensation that was paid for financial goals
6 be removed from the Company's revenue requirement increase because he does not
7 believe that ratepayers should pay for incentive compensation which promotes
8 shareholder's interest and the alignment of shareholder growth. Further, he states
9 that "most, if not all of NCSC's incentive compensation payments are aligned with
10 NCSC's Corporate Executives with minimal or none being attributed to the benefit of
11 customers". Lastly, he recommends removal of the Company's Profit Sharing costs
12 because he claims there is no breakdown or further information that indicates to
13 whom these Profit Sharing benefits go to or accrue.

14 **Q Do OCA's recommended adjustments to Profit Sharing and Stock**
15 **Awards contain errors?**

16 A. Yes.

17 **Q. Please explain.**

18 A. Mr. Mugrace's adjustment for profit sharing erroneously removes all three Test Year
19 amounts (Historic Test Year "HTY", Future Test Year "FTY" and the Fully Projected
20 Future Test Year "FPFTY"), instead of only removing the Company's FPFTY claim.
21 Profit sharing amounts in each test year period are not cumulative. As such, the

1 Company's profit sharing costs included in Employee Benefits for the FPFTY is
2 \$320,139, and not \$1,063,976. Similarly, Mr. Mugrace's recommended adjustment
3 for Stock Awards erroneously removes both the FTY and the FPFTY amounts. Stock
4 Award amounts in these test periods are not cumulative. As such, the Company's
5 Stock Awards costs included in Labor expense for the FPFTY is \$97,639, and not
6 \$204,892.

7 **Q. Please describe NiSource's total rewards philosophy.**

8 A. NiSource's "total rewards" philosophy is to reward employees competitively in
9 comparison with the utility industry, as well as general industry employers, in order
10 to attract, retain and motivate qualified employees, while consistently meeting its
11 requirements to provide safe, reliable, and cost-effective service to its customers.
12 Competitively rewarding employees motivates them to achieve important goals,
13 retains their significant operational knowledge and value, and reduces costly
14 turnover. The Company has goals related to customer service, quality of service,
15 containment of costs, and safety which are customer-oriented goals and by which
16 every Company employee is expected to abide. Employees are accountable for these
17 goals and employees take action to reinforce those goals in order to achieve incentive
18 rewards.

19 **Q. Does Columbia agree with Mr. Patel's proposed adjustments for profit**
20 **sharing and stock awards or Mr. Mugrace's proposed adjustments for**
21 **profit sharing, stock awards, or incentive compensation?**

1 A. No. Profit sharing, stock awards, and incentive compensation are part of the
2 Company's design of its total rewards program to remain competitive with other
3 employers, retain employees, and further drive requirements to provide safe, reliable
4 and cost-effective service to its customers. An individual's incentive compensation
5 could be reduced if safety or customer service goals are not achieved. The Company
6 recognizes that the award of long-term incentive (LTI) compensation should not be
7 based upon financial metrics alone, but should also include the achievement of goals
8 that are beneficial to customers. In 2018, additional metrics were added that include
9 customer value goals of safety, customer, financial, culture, and environmental
10 components. The safety goal is to have top decile results in the National Safety
11 Council Barometer Survey. The customer goal is to have top quartile performance in
12 the J.D. Power Gas Utility and Electric Residential Customer Satisfaction Studies.
13 The financial goal is to control the Operations and Maintenance ("O&M") cost per
14 customer by maintaining flat O&M expenses. The culture goal is top quartile
15 performance in the Continuous Improvement Management Practices Organizational
16 Health Index. The environmental goal is to reduce greenhouse gas emissions by
17 approximately 2 million tonnes.

18 **Q. Do you agree with Mr. Patel's or Mr. Mugrace's proposals to disallow the**
19 **Company's entire claim for Profit Sharing?**

20 A. No. The NiSource Inc. Retirement Savings Plan (GAS-RR-024 Attachment M) has a
21 profit sharing component and, as such, supports employees' saving for retirement.

1 Mr. Patel states that Profit Sharing is only available to certain high level executives
2 and points to the NiSource Inc. 2010 Omnibus Incentive Plan at Columbia SDR-GAS-
3 RR-027 Attachment A, which is not the correct document outlining profit sharing
4 eligibility. In addition, Mr. Mugrace states that the Company has not provided
5 information that indicates to whom these Profit Sharing benefits go to or accrue.
6 Profit Sharing is available to all Company and NCSC employees, not just high level
7 executives, as detailed in the Company's response to Standard Data Request GAS-
8 RR-024 Attachment M. Company contributions for Profit Sharing are deposited into
9 employees' Retirement Savings Plan accounts, which provide an important element
10 of employee savings. Profit Sharing supplements employees' contributions to their
11 retirement accounts. These contributions to the Retirement Savings Plan have
12 become even more important as more traditional elements of retirement savings,
13 including defined benefit plans, are no longer offered to exempt new hires on or after
14 January 1, 2010 and nonexempt new hires on or after January 1, 2013. Absent these
15 contributions, the Company would have to make other adjustments to its total
16 rewards package, such as increases to base pay or 401(K) contributions, to remain
17 competitive in the market for quality employees. As an element of a balanced
18 competitive benefits program, profit sharing contributions into the Retirement
19 Savings Plan should be allowed.

1 **Q. Do you agree with Mr. Patel's or Mr. Mugrace's proposal to disallow the**
2 **Company's entire claim for stock awards, including its portion of NCSC**
3 **stock awards?**

4 A. No. Stock awards are a common element of compensation at certain levels of
5 organizations throughout the U.S. and, as such, the costs should be allowed. These
6 stock awards allow Columbia Gas of Pennsylvania and NiSource to attract and retain
7 individuals at executive levels which would be difficult to accomplish without this
8 element of compensation.

9 **Q. From a policy perspective, why is it important that stock awards be**
10 **recovered in base rates?**

11 A. If the Commission disallows recovery of stock award compensation, it sends the
12 message that variable pay is not valued as a viable tool to encourage company
13 efficiencies and promote customer service and safety goals. Further, denial of
14 recovery of stock awards means that fixed base pay without incentives would become
15 the preferable means to attract, motivate, and retain talented employees while
16 retaining a reasonable opportunity for full recovery of that compensation. Incentive
17 compensation is an element of competitive total compensation in the labor market
18 both within the utility industry and within the broader employer base. The
19 importance of incentive plans as part of a company's total compensation package is
20 evidenced in the following excerpt from the Aon Hewitt survey "U.S. Total
21 Compensation Measurement (TCM) - Executive Compensation Policies and

1 Programs U.S. Edition” (2017), which included participation by 106 companies:

2 Of these 106 companies, 88% reported at least one form of long-term
3 incentive. Topics covered for each long-term incentive plan include
4 eligibility, grant frequency, range of award opportunity, exercise
5 restrictions, form and timing of payment, and treatment of dividends.
6

7 Of those companies reporting a long-term incentive plan, 76% have
8 two or more vehicles in 2017 compared to 81% in 2016. Three or more
9 plans were reported by 38% of the companies this year.

10 With 88% of companies surveyed providing at least one form of long-term (generally
11 stock) incentive, the Company and NCSC would be at a major disadvantage in
12 attracting new executives, or retaining current leaders without the ability to also
13 provide such forms of compensation.
14

15 **Q: Do customers benefit from retaining existing quality leadership and**
16 **attracting new corporate leaders?**

17 A. Yes. Retaining key leaders and attracting new talented individuals is critical to
18 maintaining high quality of service, efficiency and safety; therefore, offering stock
19 based programs is an appropriate cost of providing reliable service to Columbia’s
20 customers. If the Company did not provide stock awards, it would be at high risk
21 of losing talent to competitors. The potential departure of Company leadership
22 would create a loss of valuable skills and would have a significant financial impact
23 in the form of turnover costs, including recruiting costs, relocation costs, and
24 training costs. In addition, leadership sets the tone and direction for the Company.
25 Failure to retain and attract experienced, skilled leaders can adversely affect
26 Columbia’s ability to continue to provide safe and reliable service for its customers.

1 **Q: What is Mr. Mugrace's proposed disallowance for Incentive**
2 **Compensation?**

3 A. Mr. Mugrace proposes to disallow \$1,804,607 in FPFTY Incentive Compensation
4 paid by the Company. Mr. Mugrace allows only a small portion of Incentive
5 Compensation that he claims is associated with Customer Care, Customer
6 Satisfaction and Customer Safety. Mr. Mugrace also proposes to disallow all amounts
7 for Incentive Compensation in the FPFTY for NCSC-Shared Services and NCSC-
8 Shared Operations.

9 **Q: Do you agree with Mr. Mugrace's disallowance of incentive**
10 **compensation?**

11 A. No. First, OCA Witness Mr. Patel supports including incentive compensation in the
12 cost of service.

13 In addition, all employees, not just Corporate Executives, are eligible for incentive
14 compensation. This includes union, field manual, hourly, and all other employees.
15 The incentive plan and goal setting process are designed to support financial
16 management, safety, and customer initiatives. Also, I am advised by counsel that the
17 Commission has allowed recovery of incentive compensation as a part of payroll
18 where the compensation plan includes provisions that are designed to provide
19 benefits to customers, as the Company's plan does. Most recently, I am aware of the
20 PPL Electric Utilities decision that permitted incentive compensation consistent with
21 prior Commission decisions when such compensation programs are focused on

1 improving operations effectiveness. *Pa. PUC v. PPL Electric Utilities Corp., R-2102-*
2 *2290597*, (Order entered Dec. 28, 2012).

3 **Q. How is short-term incentive compensation funded?**

4 A. The availability of an incentive pool depends upon the financial health of the overall
5 corporation in the respective operating year. Given that a fair percentage of total
6 employee compensation is subject to the incentive compensation plans, it is
7 necessary that financial goals be achieved to provide funding for employee incentive
8 payments. Therefore, an incentive pool is established when the corporate financial,
9 safety, and customer goals are met.

10 **Q. How is short-term incentive compensation awarded?**

11 A. If the corporate financial, safety, and customer goals are met and the plan is funded,
12 then the payment of employee-specific incentive compensation depends upon the
13 employee's achievement of his/her individual safety, customer, financial, execution,
14 and engagement goals.

15 Under the terms of the plan, a discretionary amount is available to exempt
16 employees based on individual performance in the categories of safety, customer,
17 financial, execution, and engagement goals as determined by an employee's
18 supervisor. Incentives are performance-based in that they are determined by the
19 degree to which individual performance goals are achieved.

20 Related to individual performance, in 2017 up to 67 percent of an exempt
21 employee's incentive compensation payment was discretionary and was awarded

1 based upon the achievement of individual performance goals, with the remaining 33
2 percent tied to the achievement of corporate financial, safety, and customer care
3 goals. The allocation of the 67 percent among the employee's individual performance
4 goals differs from employee to employee. Beginning with the 2018 plan year, 100%
5 of an exempt employee's incentive compensation payment will be discretionary and
6 will be awarded based upon the achievement of individual performance goals.

7 **Q. How is individual employee performance of safety, customer, financial,**
8 **execution, and engagement goals measured?**

9 A. The discretionary portion of the short-term incentive program is based on
10 performance management linked to goals including safety, customer, financial,
11 execution, and engagement goals for Columbia. Performance management is
12 executed through the annual evaluative process embodied in the Performance
13 Management Worksheet ("PMW"). See Exhibit KKC-1R for a sample PMW for a
14 Company employee.

15 A Columbia employee's PMW contains annual performance objectives and
16 articulates the means of measuring the employee's progress in relation to the
17 objectives established. Each employee is actively involved in the development of his
18 or her PMW, with input from his or her supervisor, and the employee's progress is
19 reviewed and discussed with the employee periodically throughout the year.

20 The use of the PMW process to establish goals and to measure employees'
21 performance against these goals is important in reinforcing the proper focus on key

1 initiatives and goals designed to improve customer service and reinforce cost
2 containment. Examples of the use of objectives in the PMW process that are focused
3 on benefitting customers include:
4

| Objective | Performance Measure |
|--|--|
| Employee Safety: Achieve industry leading employee and contractor safety performance | Columbia safety targets for 2017 Recordable Injuries: Target .91 DART (Days Away Restricted Duty): Target 0.44 Vehicle: Target 1.59 |
| Public Safety: Emergency Response | Public Safety - Emergency Response Goal of 98% in 45 minutes, and improvement year over year . |
| Customer: On time appointments | On-Time Appointments – 98% in all states |

5
6 **Q. Is incentive compensation an important component of total cash**
7 **compensation for CPA and NCSC to be effective in improving**
8 **performance and in recruiting and retaining employees?**

9 A. Yes. The incentive plan is designed to drive and reinforce goals in exempt employees'
10 performance management worksheets. At the beginning of each year, every exempt
11 employee and every executive must complete the performance management
12 worksheet, which is developed with his or her leader. The goals reflected in the
13 performance management worksheet are divided into five key categories, including:
14 customer, safety, financial, execution, and engagement. These goals and the
15 Performance Management process are critical in reinforcing key Company
16 initiatives, including safety, customer service, operational efficiency and continuous

1 improvement. Thus, contrary to Mr. Mugrace's contention, individual performance
2 goals are designed to drive improved performance that benefits customers. Secondly,
3 incentive compensation is an element of competitive total compensation in the labor
4 market both within the utility industry and within the broader employer base. This
5 is evidenced by a recent survey conducted by Aon Hewitt. The following is an excerpt
6 from the Highlights and Trends section of The Aon Hewitt 2017 Variable
7 Compensation Measurement ("VCM") Report-U.S. Edition:

8 Even with the changing economic environment variable pay budgets have
9 continued to remain significantly higher than amounts budgeted for salary
10 increases. While salary increases have hovered at or around 3% for the past
11 six years, variable pay budgets have consistently been in double digits.

12 Highlights and Trends

13 Variable pay plans continue to be a critical component of most VCM
14 participants' total compensation offerings. The Aon Hewitt VCM report
15 continues to support the trend that organizations are increasingly turning to
16 variable pay as a means to attract, retain, and reward performance while
17 traditional merit increase budgets remain at record low levels. In 2017, a
18 median 98% of total US employees who were eligible for at least one type of
19 variable pay actually received an award.

21 Prevalence of Variable Compensation

22 The frequency of companies with at least one broad-based variable pay plan
23 continues to increase since 1994 when we first started recording this
24 information. According to Aon Hewitt's Salary Increase Survey, in 1995, 59%
25 of U.S. organizations indicated they had at least one broad-based variable pay
26 plan in place. By 2017, 88% of U.S. organizations had implemented a broad-
27 based variable pay plan.

29 Not only have more U.S. organizations in the database introduced broad-
30 based variable compensation in recent years, organizations also have changed
31 the look of their variable pay plans.
32
33

1 Individual performance plan measures or modifiers give managers the power
2 to reward and retain their top performers.

3
4 Therefore, to remain competitive in the labor market, it is important to provide
5 incentive compensation as part of total compensation. If the Company maintains a
6 competitive base compensation but does not provide incentive compensation, it
7 follows that total compensation will lag the competition and employees will have
8 larger total compensation opportunities at other employers providing competitive
9 compensation inclusive of incentives. Barring an offsetting increase in the base pay
10 structure, employees will have larger total compensation opportunities with other
11 employers who provide competitive compensation that includes performance based
12 incentives.

13 **Q. Should the increase in FTY and FPFTY incentive compensation be**
14 **allowed?**

15 A. Yes. Mr. Mugrace argues there is no way the Company can determine if the
16 performance targets will be achieved. Achievable targets are set at the beginning of
17 each year and are based upon year over year improvement. The Company has a solid
18 history of meeting and exceeding performance targets. Also, the Company's
19 incentive compensation claim includes incentive compensation at target level
20 achievement. Because the target level is designed to be representative of Company's
21 shot-term incentive compensation expenses over time, we actually reduced the test
22 year expense to equal the payments at the target level instead of requesting actual
23 incentive compensation that was paid at a stretch level.

1 **Q. Does this complete your rebuttal testimony?**

2 **A. Yes.**

2017 Performance Management Worksheet

Safety

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|---|---|--------|------------|------------|------------|
| 1.1 Employee Safety – You will be measured on the NiSource Goal, the appropriate Columbia Gas and or NIPSCO Goal, and your State Goal | The NiSource safety targets or milestones for 2017 Recordable Injuries: Target 0.91 DART: Target 0.44 Vehicle: Target 1.56 Columbia Gas Numbers are 1.09, 0.59, and 1.67 respectively | green | 01/01/2017 | 12/31/2017 | 100.0% |

Comments:

| Date | By | Comment |
|------------|----|--------------------------------------|
| 01/09/2018 | | PA North .92, .92 and State PVA 1.79 |

| | | | | | |
|--|---|-------|------------|------------|--------|
| 1.2 Significant Injury or Fatality (SIF) | Significant Injury or Fatality (SIF) milestone of 0 for NiSource, Columbia Gas, NIPSCO, and each of your states | green | 01/01/2017 | 12/31/2017 | 100.0% |
|--|---|-------|------------|------------|--------|

Comments:

| Date | By | Comment |
|------------|----|----------------------|
| 01/09/2018 | | Zero SIF in PA North |

1.3 National Safety Council Survey
 National Safety Council Survey
 Results improve by 5% including your state, with the targets being: **green** 01/01/2017 12/31/2017 100.0%
 NiSource: 78%

Columbia Gas: 93%

CPA: 91%

Comments:

| Date | By | Comment |
|------------|------------|------------------------------|
| 01/09/2018 | [REDACTED] | PA North overall score is 78 |

1.4 Emergency Response - Public Safety
 Public Safety - Emergency Response Goal of 98% in 45 minutes, and improvement year over year in each state **yellow** 01/01/2017 12/31/2017 100.0%

Comments:

| Date | By | Comment |
|------------|------------|--|
| 01/09/2018 | [REDACTED] | Year end for PA North was 95%, Now have full compliment in Service and have a plan to replace system in Clymer PA, our furthest point in New Beth territory. |

1.5 Damage Prevention - Public Safety
 Damage Prevention Goals is Top Quartile at 2.0, and improvement year over year in each state, and hitting **yellow** 01/01/2017 12/31/2017 100.0%

your state's
milestone

Comments:

| Date | By | Comment |
|------------|------------|---|
| 01/09/2018 | [REDACTED] | PA North ended year with a 2.87. Poor records continue to impact our damages. |

Customer

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|---------------------------------|--|--------|------------|------------|------------|
| 2.1 On Time Appointments | On-Time Appointments – 98% in all states | green | 01/01/2017 | 12/31/2017 | 100.0% |

Comments:

| Date | By | Comment |
|------------|------------|------------------------------------|
| 01/09/2018 | [REDACTED] | PA North hit 99% appointments met. |

| | | | | | |
|------------------------------------|---|-------|------------|------------|--------|
| 2.2 JD Power Survey Results | 2017 J.D. Power (JDP) Gas and Electric Utility Residential Customer Satisfaction Studies Stretch – 715 Target – 705 Trigger – 695 | green | 01/01/2017 | 12/31/2017 | 100.0% |
|------------------------------------|---|-------|------------|------------|--------|

Comments:

| Date | By | Comment |
|------------|------------|-------------------|
| 01/09/2018 | [REDACTED] | CPA score was 735 |

MSR Customer

2.3 MSR Customer Satisfaction Survey

Satisfaction Survey
Stretch – 89%
Target – 87%
Trigger – 85%

green 01/01/2017 12/31/2017 100.0%

Comments:

| Date | By | Comment |
|------------|------------|---------|
| 01/10/2018 | [REDACTED] | 88% |

Financial

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|----------------|---------------------|--------|-------|-----|------------|
|----------------|---------------------|--------|-------|-----|------------|

3.1 O&M Targets

O&M Targets will be measured on how close to target all of Gas Operations does as well as each of the VP organizations. The target is to be as close to target as possibly, while getting the workplan completed, or exceeding the amount in the workplan. Earned Value will help us with this also

green 01/01/2017 12/31/2017 100.0%

Comments:

| Date | By | Comment |
|------------|------------|--------------------------------|
| 01/09/2018 | [REDACTED] | Managed budget to expectations |

Execution

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|----------------|---------------------|--------|-------|-----|------------|
|----------------|---------------------|--------|-------|-----|------------|

4.1 All Workplans and Initiatives

Performance Measure – This objective used to document all performance expectations in the 2017 NiSource Business Plan that are not adequately captured by other objectives. These include operational targets, safety targets, as well as workplan executions, and initiatives to enhance performance or capabilities.

Key Deliverables:
 a) Workplan execution
 b) Continuous improvement plan execution
 c) Pipeline Safety programs
 d) Support regulatory plans and outcomes
 e) Support growth team recommendations
 f) Successful contract negotiations
 g) Operations Integration Plan
 h) Locator Performance at or above targets

green 01/01/2017 12/31/2017 100.0%

Engagement

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|--|---|--------|------------|------------|------------|
| <p>5.1 Engagement - Ensure NiSource is recognized among the best places to work by all in our communities</p> <p>Performance Measure – Evaluate through hiring, development, retention, and progression of talent, reputation feedback and surveys, regrettable attrition, employee engagement surveys, accomplishment of I&D plans, and feedback on leaders</p> | <p>Performance Measure – Evaluate through hiring, development, retention, and progression of talent, reputation feedback and surveys, regrettable attrition, employee engagement surveys, accomplishment of I&D plans, and feedback on leaders</p> <p>** Employee Engagement Survey - % favorability</p> <p>** Action planning around Employee Engagement survey results</p> <p>** Development – High Potential management candidates progressing (time in position/promotions/expanded responsibility)</p> <p>** Increase underrepresented employee populations within EST - All hiring pools have a diverse candidate slate</p> | green | 01/01/2017 | 12/31/2017 | 100.0% |

Comments:

| Date | By | Comment |
|------------|------------|--|
| 01/09/2018 | [REDACTED] | Action plans are being completed. 2017 was 71.6% favorable |

Development Focus

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|--|---|--------|------------|------------|------------|
| 6.1 Safe by Choice | Safe by Choice – Model and shape behaviors consistent with safe by choice principles. | green | 01/01/2017 | 12/31/2017 | 0.0% |
| 6.2 Gas Operations Leadership Development Program | Participation- roll out- implementation | green | 01/01/2017 | 12/31/2017 | 100.0% |

Comments:

| Date | By | Comment |
|------------|------------|--|
| 01/09/2018 | [REDACTED] | Have participated in the Go Build our Bench program in 2017 |
| 02/28/2017 | [REDACTED] | Start date will be when initiative is kicked off. |
| 02/28/2017 | [REDACTED] | Being part of this team will help me better understand the long term vision for NiSource leaders. Also I will get an opportunity to work across the Matrix during design, implementation and roll out. |

| | | | | | |
|---------------------------------|---|------|------------|------------|------|
| 6.3 Budget Tool Creation | Better understanding of the different layers of budgeting. The ability to train others in understanding the budgeting process. Also input I can provide to make the tool better for projecting monthly/ | none | 01/01/2017 | 12/31/2017 | 0.0% |
|---------------------------------|---|------|------------|------------|------|

quarterly spend.

Comments:

| Date | By | Comment |
|------------|------------|---|
| 01/09/2018 | [REDACTED] | This was canceled |
| 02/28/2017 | [REDACTED] | Start date will depend on when the team gets started. |

Mid-year Discussion

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|---------------------------------|----------------------|--------|------------|------------|------------|
| 7.1 Hold Mid year review | Hold Mid year review | green | 01/01/2017 | 12/31/2017 | 100.0% |

Comments:

| Date | By | Comment |
|------------|------------|--------------|
| 07/28/2017 | [REDACTED] | Held 6-30-17 |

Year-end Review

| Objective Name | Performance Measure | Status | Start | Due | % Complete |
|----------------------------|---------------------|--------|------------|------------|------------|
| 8.1 Year end review | Year end review | green | 01/01/2017 | 12/31/2017 | 100.0% |

Copied From Other Worksheet(s)

You have no objectives in this category.