

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-25:

Please provide a description of the Company's merit and cost of living wage rate increase policies.

Response:

The Company's wage rate increases for exempt and non-exempt non-union employees are not tied to cost of living but are, rather, merit based. Merit (performance adjustment) increases are provided on an annual basis to exempt and non-exempt non-union employees. The increases are generally to base pay.

The performance adjustment percentage for 2023 was 3.00% for exempt employees and 3.00% for non-exempt, non-union, non-manual employees. Leaders are provided a specific pool of dollars for this adjustment. If the leader increases the performance adjustment of one employee, they must decrease the performance adjustment for others so that the total increase recommended does not exceed the allotted pool of dollars.

Wage rate increases for union employees are governed by collective bargaining agreements.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-26:

Please provide the following monthly labor data for the year prior to the HTY, the HTY and the FTY through the most recent date available.

- a. number of actual employees broken down between type (e.g., salaried, union, non-union, temporary, etc.);
- b. regular payroll broken down between expensed, capitalized and other;
- c. overtime payroll broken down between expensed, capitalized and other;
- d. temporary payroll broken down between expensed, capitalized and other; and
- e. other payroll (specify).

Response:

- a, b, c and e.** Please see GAS-RR-026 Attachment A for the requested data.
- d.** The Company has no temporary employees.

Description	Pre-HTY TME 11/30/2022	HTY TME 11/30/2023	FTY TME 11/30/2024	FPFTY TME 12/31/2025
Employees				
Total Clerical Labor	93	90	90	90
Total Exempt Labor	182	178	178	178
Total Manual - Non-Union	17	18	18	18
Total Manual - Union	478	442	442	442
Total Employees	770	728	728	728

Description	Pre-HTY TME 11/30/2022	HTY TME 11/30/2023	HTY TME 11/30/2023	Weighted Average Wage Increase @ 3.42%	Other	FTY Budget	Rate Making Adjustments	FTY TME 11/30/2024	Weighted Average Wage Increase @ 2.67%	Other	FPFTY Budget	Rate Making Adjustments	FPFTY TME 12/31/2025	
b.,c.,d., and e		Per Books	Normalized	@ 3.42%		Budget	Adjustments	Normalized	@ 2.67%		Budget	Adjustments	Normalized	
	(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)	(7)=Sum (4 through 6)	(8)	(9)=(7) + (8)	(10)	(11)	(12)=Sum(9 through 11)	(13)	(14)=(12) + (13)
Payroll Expense														
Regular Payroll	34,094,945	35,133,005	13,004	35,146,010	901,495	-	36,047,505	562,777	36,610,282	814,579	-	37,424,861	397,431	37,822,292
Overtime Payroll	2,820,328	2,661,052	-	2,661,052	-	(1,853,557)	807,495	-	807,495	-	(402,356)	405,139	-	405,139
Premium Payroll	16,132	138,886	-	138,886	-	(138,886)	-	-	-	-	-	-	-	-
Net Affiliate Labor Transferred	235,704	482,041	-	482,041	-	(482,041)	-	-	-	-	-	-	-	-
Total Expense	37,167,108	38,414,985	13,004	38,427,989	901,495	(2,474,485)	36,855,000	562,777	37,417,777	814,579	(402,356)	37,830,000	397,431	38,227,431
Capital Payroll														
Regular Payroll	32,030,643	31,548,158	17,812	31,565,971	809,667	-	32,375,638	536,149	32,911,787	732,287	-	33,644,074	380,479	34,024,553
Overtime Payroll	2,736,824	2,508,090	-	2,508,090	-	(152,938)	2,355,152	-	2,355,152	-	(349,653)	2,005,500	-	2,005,500
Premium Payroll	15,654	130,903	-	130,903	-	(130,903)	-	-	-	-	-	-	-	-
Net Affiliate Labor Transferred	228,725	454,333	-	454,333	-	(454,333)	-	-	-	-	-	-	-	-
Total Capitalization	35,011,846	34,641,484	17,812	34,659,296	809,667	(738,173)	34,730,790	536,149	35,266,940	732,287	(349,653)	35,649,574	380,479	36,030,053
Total Payroll	72,178,954	73,056,469	30,817	73,087,286	1,711,162	(3,212,658)	71,585,790	1,098,927	72,684,717	1,546,866	(752,009)	73,479,574	777,910	74,257,484
Incentive Comp														
Expense	1,815,132	3,370,857	(1,174,127)	2,196,730	-	467,270	2,664,000	-	2,664,000	-	(102,000)	2,562,000	-	2,562,000
Capital	1,511,418	3,047,872	(977,413)	2,070,458	-	440,410	2,510,869	-	2,510,869	-	(96,137)	2,414,732	-	2,414,732
Total Incentive Comp	3,326,550	6,418,729	(2,151,540)	4,267,188	-	907,680	5,174,869	-	5,174,869	-	(198,137)	4,976,732	-	4,976,732

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-27:

Please provide a copy of all incentive compensation and/or bonus plans and provide the level of related payments included in cost of service.

Response:

Attached to this response are copies of all incentive compensation plans as GAS-RR-027 Attachment A through GAS-RR-027 Attachment C.

The amount included in the cost of service can be found on Exhibit No. 4, Schedule No. 1, Page 2, Line 2 and Exhibit No. 104, Schedule No. 1, Page 2, Line 2.

Plan	Period	Attachment
2023 Cash-based Awards Program Terms and Conditions for Participants and Officer Participants	January 1, 2023 to December 31, 2023	Attachment A
2024 Cash-based Awards Program Terms and Conditions for Participants and Officer Participants	January 1, 2024 to December 31, 2024	Attachment B
2020 Omnibus Incentive Plan	Current	Attachment C

**2023 CASH-BASED AWARDS PROGRAM
TERMS AND CONDITIONS**
a/k/a “Short Term Incentive Plan”

*NiSource Inc.
2020 Omnibus Incentive Plan*

1. Background

Under Article XI of the NiSource Inc. 2020 Omnibus Incentive Plan (the “Plan”), and subject to its terms, the Compensation Committee (the “Committee”) of the Board of Directors of NiSource Inc. (the “Corporation”) may grant Cash-Based Awards to Employees subject to such terms and conditions as determined by the Committee. This document describes the terms and conditions under which Cash-Based Awards may be paid for performance beginning January 1, 2023 and ending December 31, 2023 (the “Performance Period”), to the Eligible Employees (as defined below). Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Eligibility for Participation

All exempt and non-exempt Employees of the Corporation and its Affiliates are eligible to participate in this 2023 Cash-Based Awards Program (the “Program”) under the Plan, other than:

- A.** Participants who are eligible under any other 2023 Cash-Based Award program;
- B.** Employees who have received a last chance letter, final notice letter or equivalent during the Performance Period;
- C.** Certain exempt Employees who participate in other specialized functional incentive plans; and
- D.** Interns;

provided, however, that the Committee or its delegate may add additional Employees and remove Employees in its discretion (“Eligible Employees”). The Committee or the Corporation’s Chief Executive Officer may determine which Eligible Employees or groups of Eligible Employees shall actually participate in the Program. The Committee and the Chief Executive Officer generally shall make this determination each calendar year. Eligible Employees chosen to participate in the Program are “Participants.” Designation by the Committee or Chief Executive Officer as a Participant in the Performance Period shall not confer on such Participant the right to be a Participant in any other performance period and designation as a participant in any other performance period shall not confer on any Employee the right to be a Participant in this Program.

Except as provided below, a Participant whose employment with the Corporation and its Affiliates terminates prior to the end of the Performance Period will cease to be a Participant and will not be eligible to receive a payment under this Program. A Participant who terminates

his or her employment after the end of the Performance Period but before the distribution of the incentive payment will be eligible to receive a payment due under this Program, unless terminated “for cause” in which case he or she will not be eligible to receive a payment under the Program. Notwithstanding the foregoing, any Participant who terminates employment with the Corporation and its Affiliates during the Performance Period due to death, disability or retirement will be eligible to receive a payment due under this Program on a pro-rated basis to reflect Service from the beginning of the Performance Period through the date of termination of employment. For purposes of this Program, (i) “retirement” means the Employee’s termination from Service at or after attainment of age 55 and completion of at least 10 years of continuous Service, measured from the most recent date of hire with the Corporation or an Affiliate and (ii) “disability” means the Employee’s disability as defined in the long-term disability plan of the Corporation or one of its Affiliates that is applicable to the Employee.

Notwithstanding the previous paragraphs, an Eligible Employee described above shall be a “Limited Participant” if he or she has received one or more suspensions without pay totaling five days or more during the Performance Period. Each Limited Participant will have his or her individual incentive opportunity reduced by at least fifty percent (50%). A Participant not described under the preceding sentences is a “Full Participant.”

3. Cash-Based Award Performance Measures, Weightings and Target Opportunities will be as follows:

STI Metrics-Measures	STI Weighting	Trigger	Target	Stretch
Financial				
Net Operating Earnings Per Share	70%	\$1.51	\$1.56	\$1.61
Operational Excellence				
Operations or Process Failure	10%		0	
Occupational Health and Safety				
DART	5%	0.74	0.7	0.63
PVC	5%	1.73	1.65	1.49
Customer				
Customer Satisfaction	10%	67%	70%	73%

- A. NOEPS Financial Measure - based on the Corporation’s achievement of net operating earnings per share, after accounting for the cost of payments under the Program (“NOEPS”). The Corporation shall have full discretion and authority to determine whether this measure has been achieved and whether any adjustments shall be made in the calculation of NOEPS to reflect unusual or non-recurring events.
- B. Operational Excellence - no significant injuries or fatalities (SIF) or PHMSA reportable incidents due to operations or process failures (employees)
- C. Occupational Health and Safety

For purposes of calculating the amount of Cash-Based Awards, the Committee may adjust the performance results or the Cash-Based Awards to reflect the following extraordinary events and other similar items:

1. Equity issuances;
2. Debt issuances;
3. Discontinued operations;
4. Mergers, acquisitions, and divestitures;
5. Capital expenditures;
6. Asset write-downs;
7. Litigation or claim judgments or settlements;
8. The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
9. Any reorganization or restructuring programs;
10. Foreign exchange gains and losses;
11. Extraordinary, unusual, or other nonrecurring items as described in U.S. Generally Accepted Accounting Principles or as described in management's discussion and analysis of financial condition and results of operations appearing in the Corporation's consolidated report to the investment community or investor letters;
12. Significant movements in gas prices; and
13. Significant changes in the law.

7. General Timing of Payment

If payable, the Participant's incentive will be distributed to the Participant, or the Participant's estate in the event of the Participant's death before payment, in cash in a single sum, as soon after the end of the applicable Performance Period as practicable, but no later than March 15 after the end of the Performance Period in accordance with the Corporation's payroll practices.

8. Notices

Any notice required or permitted to be given by the Corporation or the Committee pursuant to the Plan shall be deemed given when personally delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to the Participant, his or her beneficiary, executors, administrators, successors, assigns or transferees, at the last address shown for the Participant on the records of the Corporation or subsequently provided in writing to the Corporation.

9. Miscellaneous Provisions

A. Nothing contained herein will confer upon any Participant the right to be retained in the service of the Corporation or any Affiliate thereof nor limit or interfere with, in any way, the right of the Corporation or any Affiliate thereof to discharge any Participant at any time for any reasons whatsoever, with or without cause, or to modify a Participant's position, duties or other terms of employment.

B. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Indiana, except as preempted by federal law.

C. The Committee retains all discretion conferred under the Plan to determine any amount payable under the Program.

**2024 CASH-BASED AWARDS PROGRAM
TERMS AND CONDITIONS**
a/k/a “Short Term Incentive Plan”

*NiSource Inc.
2020 Omnibus Incentive Plan*

1. Background

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- A.** Participants who are eligible under any other 2024 Cash-Based Award program;
- B.** Employees who have received a last chance letter, final notice letter or equivalent during the Performance Period;
- C.** Certain exempt Employees who participate in other specialized functional incentive plans; and
- D.** Interns;

provided, however, that the Committee or its delegate may add additional Employees and remove Employees in its discretion (“Eligible Employees”). The Committee or the Corporation’s Chief Executive Officer may determine which Eligible Employees or groups of Eligible Employees shall participate in the Program. The Committee and the Chief Executive Officer generally shall make this determination each calendar year. Eligible Employees chosen to participate in the Program are “Participants.” Designation by the Committee or Chief Executive Officer as a Participant in the Performance Period shall not confer on such Participant the right to be a Participant in any other performance period and designation as a participant in any other performance period shall not confer on any Employee the right to be a Participant in this Program.

Except as provided below, a Participant whose employment with the Corporation and its Affiliates terminates prior to the end of the Performance Period will cease to be a Participant and will not be eligible to receive a payment under this Program. A Participant who terminates

his or her employment after the end of the Performance Period but before the distribution of the incentive payment will be eligible to receive a payment due under this Program, unless terminated “for cause” in which case he or she will not be eligible to receive a payment under the Program. Notwithstanding the foregoing, any Participant who terminates employment with the Corporation and its Affiliates during the Performance Period due to death, disability or retirement will be eligible to receive a payment due under this Program on a pro-rated basis to reflect Service from the beginning of the Performance Period through the date of termination of employment. For purposes of this Program, (i) “retirement” means the Employee’s termination from Service at or after attainment of age 55 and completion of at least 10 years of continuous Service, measured from the most recent date of hire with the Corporation or an Affiliate and (ii) “disability” means the Employee’s disability as defined in the long-term disability plan of the Corporation or one of its Affiliates that is applicable to the Employee.

Notwithstanding the previous paragraphs, an Eligible Employee described above shall be a “Limited Participant” if he or she has received one or more suspensions without pay totaling five days or more during the Performance Period. Each Limited Participant will have his or her individual incentive opportunity reduced by at least fifty percent (50%). A Participant not described under the preceding sentences is a “Full Participant.”

3. Cash-Based Award Performance Measures, Weightings and Target Opportunities will be as follows:

STI Metrics- Measures	STI Weighting	Trigger	Target	Stretch
Financial				
Net Operating Earnings Per Share	70%	\$ 1.69	\$1.72	\$ 1.75
Operational Excellence				
Operations or Process Failure	10%	2	1	0
Safety				
DART	5%	0.60	0.57	0.51
PVC	5%	1.53	1.46	1.31
Customer Experience				
Customer Satisfaction	10%	69.5%	71.5%	73.5%

- A. NOEPS Financial Measure - based on the Corporation’s achievement of net operating earnings per share, after accounting for the cost of payments under the Program (“NOEPS”). The Corporation shall have full discretion and authority to determine whether this measure has been achieved and whether any adjustments shall be made in the calculation of NOEPS to reflect unusual or non-recurring events.

- B. Operational Excellence - number of significant injuries or fatalities (SIF) or PHMSA reportable incidents due to operations or process failures (employees)
- C. Occupational Health and Safety
 - i. DART- Days Away, Restricted or Transferred (DART) incident rate for all injuries meeting OSHA reportability that require an employee to not report to work, to restrict their duties or transfer to another role as a result of the injury
 - ii. PVC - Preventable Vehicle Collisions (PVC) rate for all vehicle crashes deemed to be the responsibility of the company-employed driver
- D. Customer Satisfaction - Post-transactional/ customer relationship satisfaction survey; score comprises five post-transactional customer channels (CSR, Field Service, IVR, Online, and Project Work/Site Restoration) and one customer relationship measure

4. Incentive Pool Creation:

At the end of the performance period, results of all STI metrics will be determined through an STI scorecard using the measures shown in Part 3 above.

The individual incentive opportunity for a Participant is calculated as follows:

- Weighted percentage of STI scorecard results x individual payout target percentage x participant eligible earnings

Eligible Earnings consist of the Participant's base earnings for the Performance Period, unless otherwise determined by the Committee. Additionally, Eligible Earnings for Participants who are non-exempt Employees shall include all shift premiums and overtime pay for the Performance Period. Reimbursements for educational assistance, relocation, meals, and mileage, as well as incentive payments, stock option gains, the value of equity awards vesting, and long-term disability payments are not included in Eligible Earnings.

5. Calculation of Incentive

The individual incentive opportunity for each Employee will be added together, and the sum will equal the Incentive Pool. Awards will be distributed as follows.

- i. **Non-Exempt Employees:** In general, Participants who are non-exempt Employees will receive one hundred percent (100%) of their individual incentive opportunity as calculated under the Program.
- ii. **Exempt Employees:** The payout opportunity of individual incentive for Participants who are exempt is 100% discretionary and is based upon individual performance. Notwithstanding anything herein to the contrary, the Committee reserves the right to reduce the payouts for any other factors it deems relevant, including an assessment of individual performance.

6. Extraordinary Events

For purposes of calculating the amount of Cash-Based Awards, the Committee may adjust the performance results or the Cash-Based Awards to reflect the following extraordinary events and other similar items:

1. Equity issuances;
2. Debt issuances;
3. Discontinued operations;
4. Mergers, acquisitions, and divestitures;
5. Capital expenditures;
6. Asset write-downs;
7. Litigation or claim judgments or settlements;
8. The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
9. Any reorganization or restructuring programs;
10. Foreign exchange gains and losses;
11. Extraordinary, unusual, or other nonrecurring items as described in U.S. Generally Accepted Accounting Principles or as described in management's discussion and analysis of financial condition and results of operations appearing in the Corporation's consolidated report to the investment community or investor letters;
12. Significant movements in gas prices; and
13. Significant changes in the law.

7. General Timing of Payment

If payable, the Participant's incentive will be distributed to the Participant, or the Participant's estate in the event of the Participant's death before payment, in cash in a single sum, as soon after the end of the applicable Performance Period as practicable, but no later than March 15 after the end of the Performance Period in accordance with the Corporation's payroll practices.

8. Notices

Any notice required or permitted to be given by the Corporation or the Committee pursuant to the Plan shall be deemed given when personally delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to the Participant, his or her beneficiary, executors, administrators, successors, assigns or transferees, at the last address shown for the Participant on the records of the Corporation or subsequently provided in writing to the Corporation.

9. Miscellaneous Provisions

A. Nothing contained herein will confer upon any Participant the right to be retained in the service of the Corporation or any Affiliate thereof nor limit or interfere with, in any way, the right of the Corporation or any Affiliate thereof to discharge any Participant at

any time for any reasons whatsoever, with or without cause, or to modify an Participant's position, duties or other terms of employment.

B. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Indiana, except as preempted by federal law.

C. The Committee retains all discretion conferred under the Plan to determine any amount payable under the Program.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED

2020 Omnibus Incentive Plan

NiSource Inc.

10,000,000 shares of common stock, par value \$0.01 per share

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
(877) 647-5990

NiSource Inc. is offering a maximum of 10,000,000 shares of our common stock issuable in connection with awards granted under our 2020 Omnibus Incentive Plan (the “Plan”). References in this prospectus to NiSource Inc. include NiSource Inc., our affiliates and subsidiaries, unless otherwise indicated or required by context.

The Plan permits the granting of options, stock appreciation rights (“SARs”), restricted stock, restricted stock units, performance shares, performance units, cash-based awards, and other stock-based awards. We have attached a copy of the Plan to this prospectus as Exhibit A.

Our common stock is listed on the New York Stock Exchange under the symbol “NI.”

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 19, 2020

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Unless otherwise specified, the information in this prospectus is set forth as of May 19, 2020, and we anticipate that changes will occur in our affairs after such date. We have not authorized any person to give any information or to make any representations, other than as contained in this prospectus, in connection with the offer contained in this prospectus. If any person gives you any information or makes representations concerning this offer, do not rely on it as information that we have authorized. This prospectus is not an offer to sell our common stock in any state or other jurisdiction to any person to whom it is unlawful to make such an offer.

Introduction

What does the Plan involve?

A maximum of 10,000,000 shares of our common stock, other than substitute awards granted in connection with a corporate transaction, are initially available for awards under the Plan. The Plan provides for the issuance of the following types of awards:

- incentive stock options (ISOs);
- non-qualified stock options (NSOs);
- SARs;
- restricted stock;
- restricted stock units;
- performance shares;
- performance units;
- cash-based awards; and
- other stock-based awards.

Shares of common stock issued pursuant to awards granted under the Plan may be either:

- authorized and unissued shares;
- treasury shares; or
- shares acquired on the open market.

All shares of our common stock issued under the Plan, after they are issued and paid for, will be fully paid and nonassessable.

You should refer to the appropriate section below for further information about each type of award.

What is the Plan's purpose?

The Plan is designed to promote the achievement of both our short-term and long-term objectives by:

- aligning compensation of participants with the interests of our stockholders;

- enhancing the interest of participants in our growth and success; and
- attracting and retaining participants of outstanding competence.

Who administers the Plan?

The Compensation Committee (the "Committee") of the Board of Directors of NiSource Inc. (the "Board") administers the Plan. All members of the Committee are intended to qualify as "non-employee directors" under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and "independent directors" under the rules of the New York Stock Exchange. Committee members are selected by and serve at the pleasure of the Board and receive compensation fixed by the Board and reimbursements for expenses incurred while performing their duties. Additional information concerning the Committee or the Plan may be obtained using the following contact information:

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Corporate Secretary
Telephone No.: (877) 647-5990

Subject to the Plan's provisions, the Committee has authority to:

- determine the persons to whom, and the time or times at which, awards shall be granted and the number of shares to be subject to each award;
- determine the type of award granted;
- determine the fair market value of shares or other property where applicable;
- determine the terms, conditions and restrictions applicable to each award and any shares acquired pursuant thereto;
- determine how an award will be settled, as provided under an award agreement;
- approve one or more forms of award agreement;
- amend, modify, extend, cancel, or renew any award or to waive any restrictions or

conditions applicable to any award or any shares acquired upon the exercise thereof;

- accelerate, continue, extend, or defer the exercisability or vesting of any awards;
- prescribe, amend, or rescind rules, guidelines, and policies relating to the Plan, or adopt sub-plans or supplements to, or alternate versions of, the Plan; and
- correct any defect, supply any omission or reconcile any inconsistency in the Plan or any award agreement, and make all other determinations and take such other action with respect to the Plan or any award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan and applicable law.

The Committee generally may delegate its authority under the Plan to one or more officers or directors of our company, subject to Section 16 of the Exchange Act.

Who is eligible to receive awards under the Plan?

Employees and non-employee directors of NiSource Inc. as well as persons expected to become employees or non-employee directors are eligible to receive awards under the Plan.

How did the Plan become effective?

The Board adopted the Plan on January 31, 2020, subject to ratification by our stockholders. Our stockholders approved the Plan on May 19, 2020, at our annual stockholders meeting, and the Plan became effective as of such date.

Can I transfer my award?

Generally, no award is transferable by a participant other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order.

Subject to Committee approval, a participant may transfer non-qualified stock options or SARs to the participant's spouse or lineal descendant (or a trustee of a trust for the primary benefit of such spouse or lineal descendant), or a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3). The transferee will be subject to the same terms and conditions of the Plan as the participant.

A participant may designate a beneficiary to receive the participant's outstanding award following the death of the participant.

Will my award be subject to a minimum vesting period?

Generally, yes, the Plan requires that at least 95% of the shares granted under the Plan cannot vest prior to the first anniversary of the grant date, subject to the Committee's ability to accelerate or provide for continued vesting of an award upon or after a termination of employment or otherwise in accordance with the terms of the Plan.

What is the effect of a Change in Control of NiSource Inc.?

Upon a change in control, awards generally will not vest so long as the Committee (as constituted immediately before the consummation of the change in control) reasonably determines that the outstanding awards will be honored, assumed or replaced with alternative awards (or substituted for an award of cash having the same economic value). Alternative awards must provide you with substantially equivalent or better rights, terms, and conditions under the award, including with respect to vesting and the timing and method of payment. Such alternative awards also must provide that in the event that your service is terminated involuntarily without cause or voluntarily for good reason within two years after the change in control, any vesting restrictions will lapse, and any performance-based restrictions will be deemed to be achieved at target.

If such alternative awards are not granted, all outstanding awards will become fully vested and exercisable; any performance-based restrictions will be deemed to have been achieved at target level performance; and such awards will be immediately payable, except to the extent that later payment is necessary to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

Further, except as otherwise provided in an award agreement, if your service terminates involuntarily without cause or voluntarily for good reason during the year before the consummation of a change in control but after a third party and/or NiSource had taken steps reasonably calculated to effect such change in control, and you reasonably demonstrate that your termination of service was in connection with or in anticipation of the change in

control, all of your outstanding awards shall become fully vested and exercisable; any performance-based restrictions shall be deemed to have been achieved at target level performance; and such awards shall be payable within 60 days after the change in control, except to the extent that later payment is necessary to comply with Code Section 409A.

Under the terms of the Plan, a change in control is generally defined as: (i) certain acquisitions of more than 30% of our then outstanding voting stock; (ii) the consummation of certain mergers, consolidations or similar corporate transactions involving our company, (iii) a transfer of 50% or more of the assets of our company or (iv) an unapproved change in a majority of our Board members.

Are awards under the Plan subject to adjustment for any reason other than a change in control?

Yes, in the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation, or any successor or replacement accounting standard) that causes the per share value of our common stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the Committee will appropriately adjust awards under the Plan. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of our company, equitable adjustments may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants.

Are awards under the Plan subject to clawback?

Yes. If we are required to prepare an accounting restatement due to the material noncompliance of the company, as a result of misconduct, with any financial reporting requirement under the securities laws, and if the participant knowingly or through gross negligence engaged in the misconduct, or knowingly or through gross negligence failed to prevent the misconduct, the participant will reimburse us the amount of any payment in settlement of an award earned or accrued during the twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission of the financial document embodying such financial reporting requirement. In addition, awards granted under the Plan and any cash

payment or shares of common stock delivered pursuant to an award are subject to forfeiture, recovery by our company or other action pursuant to the applicable award agreement or any or recoupment policy which we may adopt from time to time, including any policy which we may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act or as otherwise required by law.

Can NiSource change or terminate the Plan?

Except to the extent that stockholder approval is required to satisfy applicable laws or stock exchange requirements, the Committee or Board generally may amend, suspend or terminate the Plan, or any part of the Plan, at any time for any reason without stockholder approval. However, neither the Committee nor the Board may amend the Plan to modify the prohibition on repricing of stock options or SARs or to modify the Plan's annual non-employee director compensation limit. No termination, suspension or amendment of the Plan will materially adversely affect any right acquired by any participant under an award granted under the Plan before the date of such termination, suspension, or amendment, unless the participant so consents. The Plan will continue until terminated by the Board or the Committee.

Awards Available Under the Plan

Restricted Stock Awards

The Plan permits the award of shares of common stock that are subject to specific restrictions and conditions. Each restricted stock award will be evidenced by an award document that contains the material terms and conditions of the restricted stock.

The Committee has complete discretion (subject to the vesting and forfeiture conditions previously described herein) to determine the terms and conditions of the restricted stock award, including the:

- number of shares granted;
- types of restrictions; and
- restricted period.

The Committee may impose restrictions on shares of restricted stock as it deems appropriate, including continued service of the participant, achievement of specific performance incentives,

time-based restrictions on vesting following the attainment of performance goals, restrictions under applicable federal or state securities laws, or any other conditions that it determines.

Except to the extent restricted under the terms of the Plan and any award document relating to the restricted stock, a participant granted restricted stock shall have all of the rights of a stockholder, including the right to vote the restricted stock and the right to receive dividends thereon, provided that any dividends will accrue and be paid only to the extent that the underlying shares of restricted stock vest.

The Committee may also evidence the restricted stock in the form of share certificates. If certificates representing restricted stock are registered in the name of the participant, such certificates will bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such restricted stock. We will retain physical possession of the certificates for the account of the participant.

Restricted Stock Units

A restricted stock unit is a right to receive a specified number of shares of common stock (or, to the extent permitted in the award agreement, the common stock's fair market value in cash), subject to the expiration of a specified restriction period. Each restricted stock unit award will be evidenced by an award document that contains the material terms and conditions of the restricted stock units.

The Committee shall have complete discretion (subject to the vesting and forfeiture conditions previously described herein) to determine the terms and conditions of the restricted stock unit award, including the:

- number of units granted;
- types of restrictions; and
- restriction period.

Restricted stock units may be satisfied by the delivery of:

- cash;
- common stock; or
- a combination thereof as determined by the Committee.

Prior to the settlement of a restricted stock unit award in common stock, the Plan participant will not have any rights of a stockholder with respect to the shares underlying such award. The award agreement, however, may specify that the Plan participant may accrue dividend equivalent rights that will be paid only to the extent that the underlying restricted stock units vest.

Stock Options

A stock option is the right to purchase a specified number of shares of common stock at a price and at times fixed by the Committee on the date of grant. Each option award will be evidenced by an award document that contains the material terms and conditions of the stock option, including the:

- exercise price;
- expiration date;
- whether it is an ISO or NSO;
- conditions to exercise; and
- number of shares to which the stock option pertains.

Under the Plan and at the discretion of the Committee, ISOs may be granted to our employees who meet the definition of "employee" for purposes of Treasury Regulation 1.421-1(h).

For each stock option awarded, the Committee has sole authority to determine (subject to the vesting and forfeiture conditions previously described herein) the:

- exercise price per share of stock purchasable under the option so long as the exercise price is not less than the fair market value of a share of our common stock on the grant date;
- method by which the exercise price may be paid and the form of such payment, which shall be made in cash, by cashless exercise, by withholding award shares equal to the exercise price, in shares of common stock, by a combination of such methods of payment, or such other method as may be approved by the Committee;

- term of each stock option so long as the term does not exceed a period of 10 years from the date of grant (or 5 years from the date of grant for certain ISO grants);
- time or times at which, or the circumstances under which, the stock option may be exercised in whole or in part; and
- method by or form in which the stock will be delivered in satisfaction of the option.

Stock Appreciation Rights (SARs)

SARs are the right to receive, without payment, shares of common stock or, to the extent provided in an award agreement, cash or a combination thereof, based on the increase in the value of the number of shares of common stock specified in the SAR. Each SAR award will be evidenced by an award document that contains the material terms and conditions of the SAR, including the:

- grant price;
- expiration date;
- conditions to exercise; and
- number of shares to which the SAR pertains.

The Committee has complete discretion (subject to the vesting and forfeiture conditions previously described herein) to determine the terms and conditions of the SAR award, including the:

- type of SAR (freestanding, tandem or combination);
- grant price of the SAR;
- term of each SAR, which will not exceed a period of 10 years from the date of grant;
- time or times at which, or the circumstances under which, the SAR may be exercised in whole or in part;
- method of exercise;
- method of settlement and form of consideration payable in settlement; and
- method by or form in which the stock will be delivered in satisfaction of the SAR.

Upon exercising the SAR, we will pay the participant an amount equal to the excess of the fair market value of one share of common stock on the date of exercise over:

- the option price per share specified in the related stock option in the case of tandem SARs, which price shall be fixed no later than the date of grant of the tandem SAR, which shall not be less than the fair market value of a share of our common stock on the date of grant of the related option; or
- the price per share specified in the related award document in the case of freestanding SARs, which price shall be fixed at the date of grant and shall be not less than the fair market value of a share of our common stock on the date of grant,

multiplied by the number of shares of our common stock in respect of which the SAR has been exercised.

Each SAR granted under the Plan shall expire upon the termination date determined by the Committee and set forth in the award document.

Performance Awards

A performance award may be in the form of performance shares or performance units and, in each case, represents a right to receive, contingent upon the attainment of specified performance measures during a performance period, a specified amount of cash, shares of common stock or a combination of both. The value of a performance award at vesting, if any, will be determined by the degree to which the performance measures have been achieved during the performance period. Each performance award will be evidenced by an award document that contains the material terms and condition of the performance award, including the:

- performance period;
- performance targets;
- time of payment; and
- number of shares subject to the award that are to be delivered upon satisfaction of the performance targets by the expiration of the performance period.

The Committee has complete discretion (subject to the vesting and forfeiture conditions previously described herein) to determine the performance period and the performance targets. Following the conclusion of each performance period, the Committee shall determine the extent to which performance targets have been attained for such period as well as other terms and conditions set forth by the Committee. The Committee shall determine the amount of shares, if any, to be delivered to a participant in satisfaction of an award.

Other Stock-Based Awards

The Committee may from time to time grant shares of common stock and other awards under the Plan that are valued in whole or in part by reference to, or are otherwise based upon and/or payable in, shares of common stock. The Committee, in its sole discretion, shall determine (subject to the vesting and forfeiture conditions previously described herein) the terms and conditions of such awards, which shall be consistent with the terms and purposes of the Plan.

Cash-Based Awards

The Committee may grant cash-based awards under the Plan entitling the participant to receive a cash payment contingent upon the attainment of specified performance measures during a performance period. Each cash-based award will be evidenced by an award document that contains the material terms and condition of the cash-based award, including the:

- performance period;
- performance targets; and
- time of payment.

The Committee has complete discretion (subject to the vesting and forfeiture conditions previously described herein) to determine the performance period and the performance targets. Following the conclusion of each performance period, the Committee shall determine the extent to which performance targets have been attained for such period as well as other terms and conditions set forth by the Committee. The Committee shall determine the amount, if any, to be delivered to a participant in satisfaction of an award.

Dividend Equivalents

The Plan permits the granting of dividend equivalents to participants; however, no dividend equivalents may be granted with respect to any options or SARs. A dividend equivalent is a right, granted under the Plan, to receive cash, stock, or a combination of both, equal in value to all or a specified portion of the dividends paid with respect to a specified number of shares of stock. The dividend equivalents may be granted on a free-standing basis or in connection with another award. Any dividend equivalent granted with respect to an award will vest only to the extent that the underlying award vests.

Is the Plan subject to ERISA?

The Plan is not the type of plan covered by Section 401(a) of the Code, and, therefore, is not qualified under that section. The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended.

Reoffers and Resales

Participants who purchase or receive shares under the Plan may sell them on the New York Stock Exchange at prevailing market prices with normal brokerage commissions. Directors and officers who are “affiliates” of our company, however, may only resell such shares:

- by filing an effective registration statement with the Securities and Exchange Commission; or
- by qualifying under an exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended (such as Rule 144).

In addition, the restrictions imposed under Section 16 of the Exchange Act upon any of our directors or officers will apply to awards under the Plan. In general, any grant approved by the full Board or the Committee under the Plan to a person subject to Section 16 will be exempt from the short-swing liability (but not the reporting) provisions of Section 16. However, sales of shares of common stock will generally be subject to the short-swing liability and reporting provisions of Section 16. Plan participants subject to Section 16 should consult with legal counsel before engaging in any transaction in shares of common stock.

Federal Income Tax Consequences

What are the material federal income tax consequences of the Plan?

As explained below, each type of award has different U.S. federal income tax consequences. The following discussion of certain anticipated U.S. federal income tax consequences to Plan participants is based on the Code as currently in effect, and existing laws, judicial decisions and administrative rulings and regulations, all of which are subject to change, prospectively or retroactively. In addition to these, a participant may also be subject to foreign, state and local income or other tax consequences including in the jurisdiction in which the participant works and/or resides. **You should consult with your own personal tax advisor to determine the specific tax consequences of your participation in the Plan.**

Stock Options

The Plan allows the grant of incentive stock options (ISOs) and non-qualified stock options (NSOs). Generally, no income is recognized when either type of stock option is granted to the participant, but the subsequent tax treatment differs widely.

Non-Qualified Stock Options (NSOs)

Generally, if a participant exercises a NSO, the excess of the fair market value of the shares on the date of exercise over the exercise price is ordinary income to the participant at the time of the exercise. The tax basis for the shares purchased is their fair market value on the date of exercise. Any gain or loss that the participant realizes from a later sale of the shares for an amount in excess of or less than the tax basis of the shares will be taxed as capital gain or loss, respectively. The character of the gain or loss (short-term or long-term) will depend upon how long the participant held the shares since exercise.

Incentive Stock Options (ISOs)

Generally, a participant will recognize no ordinary taxable income upon exercising an ISO. The tax basis of the shares acquired will be the exercise price. To receive this favorable treatment, the participant must not dispose of the shares that he or she acquires by exercising an ISO within two years after the date the stock option was granted, nor within one year after the exercise date (the "Holding Periods").

If the participant disposes of the shares before the end of the Holding Periods, the participant will be required to recognize gain that is taxable as ordinary income. The amount of that gain equals the lesser of:

- the difference between the fair market value on the exercise date and the exercise price; or
- the difference between the sale price and the exercise price.

The balance, if any, will be taxed as short-term or long-term capital gain, depending upon how long the participant held the shares.

If the participant meets the Holding Periods, all gain or loss that he or she realizes upon a later sale of the shares for an amount in excess of or less than their tax basis will be taxed as a capital gain or loss.

ISOs and Alternative Minimum Tax

For determining a participant's alternative minimum taxable income subject to the alternative minimum tax, a participant's exercise of an ISO will result in the recognition of alternative minimum taxable income at the time of the exercise of the ISO in an amount equal to the excess of the fair market value of the shares on the exercise date over the exercise price. In general, the alternative minimum tax is paid only to the extent it exceeds an individual's regular tax.

Exercise with Previously-Owned Shares

A participant may exercise a stock option granted under the Plan by payment either in cash or, with the Committee's approval, among other alternatives, in previously-owned shares of our common stock at their then fair market value, or by a combination of both of these methods. When a participant uses previously-owned shares ("Old Shares") to purchase shares ("New Shares") upon the exercise of an ISO or NSO, he or she recognizes no gain or loss to the extent that the total value of the Old Shares surrendered does not exceed the total value of all of the New Shares received.

If, as would usually be the case, the value of the New Shares exceeds the value of the Old Shares, the excess amount is not ordinary taxable income to the participant if:

- the stock option exercised is an ISO; and
- the participant has met the Holding Periods discussed above for the Old Shares at the time of exercise (if the Old Shares were acquired through the exercise of an ISO).

In this instance, the New Shares would also be subject to the Holding Periods discussed above. On the other hand, if the stock option exercised is a NSO, the excess amount is taxable as ordinary income.

Stock Appreciation Rights

Generally, there will be no federal income tax consequences to either the participant or our company upon the grant of a tandem or free-standing SAR. The participant, however, generally must recognize ordinary income upon the exercise or surrender of a SAR in an amount equal to the fair market value (on the date of exercise) of the shares exercised, less the exercise price (if any). Any gain or loss recognized upon any later sale or other disposition of the shares acquired from a stock-settled SAR generally will be a capital gain or loss.

Restricted Stock

Unless a participant makes an election to accelerate recognition of the income to the date of grant (as described below), the participant will not recognize income at the time a restricted stock award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock as of that date (less any amount paid for the stock). Any gain or loss recognized upon any later sale or other disposition of the shares generally will be a capital gain or loss.

Section 83(b) Election for Certain Restricted Awards

A participant who receives stock or other property with respect to an award under which such stock or other property is both nontransferable and subject to a substantial risk of forfeiture, may, to the extent permitted by the Committee or the company, as applicable, file an election under Section 83(b) of the Code within 30 days of the date of grant. Upon such election, the participant will recognize ordinary income as of the date of grant equal to the fair market value of the stock or other property as of that date (less any amount paid for the stock or other property).

Any future gain or loss realized upon the later sale of stock or other property will be taxable to the participant at capital gains rates. If the underlying stock or other property is later forfeited, the participant will not be able to recover the tax previously paid pursuant to a Section 83(b) election.

Restricted Stock Units

In general, a participant who is awarded restricted stock units will not recognize ordinary income upon grant of the restricted stock units. In general, upon receipt of payment for an award of restricted stock units in shares or cash, a participant will recognize ordinary income equal to the fair market value of the shares or the amount of cash received. However, in general, if any awards used to pay out restricted stock units are nontransferable and subject to a substantial risk of forfeiture, the taxable event is deferred until either the restriction on transferability or the substantial risk of forfeiture lapses.

Performance Shares, Performance Units, Dividend Equivalents, and Other Stock-Based Awards

Generally, a participant will recognize ordinary income at the time performance shares, performance units, dividend equivalents, and other stock-based awards are paid, equal to the fair market value of such payment, unless such awards are subject to a substantial risk of forfeiture and are nontransferable. If the award is nontransferable and subject to a substantial risk of forfeiture, the taxable event is deferred until either the restriction on transferability or the risk of forfeiture lapses.

Cash-Based Awards

Generally, a participant will recognize ordinary income at the time cash-based awards are paid, equal to the amount of such payment.

Company Tax Deduction

Generally and subject to Section 162(m) of the Code, we will be entitled to a tax deduction for an award made under the Plan to the extent that:

- the participant recognizes ordinary income from the award; and
- we have complied with any necessary withholding and reporting requirements.

Section 162(m) of the Code limits to \$1 million the amount that a publicly held corporation is allowed each year to deduct for compensation paid to the corporation's "covered employees." "Covered employees" include the corporation's chief executive officer, chief financial officer and three next most highly compensated executive officers. If an

individual is determined to be a covered employee for any year beginning after December 31, 2016, then that individual will continue to be a covered employee for future years, regardless of changes in the individual's compensation or position.

Withholding

Awards may be subject to federal, state and local withholding tax and any other tax obligations. The Plan authorizes us to take such action as we deem advisable to satisfy such tax obligations, which includes the authority to withhold or receive stock or other property and to make cash payments in satisfaction of any withholding tax obligations, either on a mandatory or elective basis in the discretion of the Committee, or in satisfaction of any other tax obligations.

Section 409A of the Code: Nonqualified Deferred Compensation

Section 409A of the Code provides that covered amounts deferred under a nonqualified deferred compensation plan are includable in the participant's gross income to the extent not subject to a substantial risk of forfeiture and not previously included in income, unless certain requirements are met, including limitations on the timing of deferral elections and events that may trigger the distribution of deferred amounts. If an award either satisfies the requirements imposed by Section 409A of the Code or qualifies for an exception from coverage under Section 409A of the Code, then the tax consequences described previously will continue to apply. If an award is subject to Section 409A of the Code and does not comply with Section 409A of the Code requirements, then amounts deferred in the current year and in previous years (including amounts deferred under similar arrangements required to be aggregated with such amounts) will become subject to immediate taxation to the participant, and the participant will be required to pay a penalty equal to interest at the underpayment rate plus 1% on the tax that should have been paid on the amount of the original deferral and any related earnings, and in addition to any regular tax, an additional tax equal to 20% of the original deferral and any earnings credited on the deferral (and any other deferred

compensation required to be aggregated with such amounts).

Other Tax Considerations

We do not intend this discussion to be a complete explanation of all of the U.S. federal income tax consequences of participating in the Plan. If you are participating in the Plan, you should consult your personal tax advisor to determine the particular tax consequences of the Plan to you, including the application and effect of foreign, state and local taxes, and any changes in the tax laws from the date of this prospectus.

Other Information

We will provide, without charge, to each Plan participant a copy of any documents that have been incorporated by reference in Item 3 of Part II of our registration statement on Form S-8, filed with the Securities and Exchange Commission on May 19, 2020, and such documents are incorporated by reference herein. Requests for such documents should be made, orally or in writing, to:

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Corporate Secretary
Telephone No.: (877) 647-5990

Stockholder communications and other reports furnished to our stockholders may be obtained upon oral or written request from our Corporate Secretary at the address or telephone number above.

The information in this prospectus will be updated regularly by an appendix, a new prospectus or by including information in the most recent annual report to stockholders or the most recent proxy statement of the Company. If you are referring to this prospectus after the lapse of a significant period of time from the date of its initial publication, you should obtain and refer to all such updates. If you receive an appendix after you receive this prospectus, you should keep it with this prospectus and refer to it whenever you refer to this prospectus

EXHIBIT A

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-28:

Please provide the percentage wage rate increases granted by the Company by date and employee category for the three most recent calendar years and the current year to date.

Response:

	<u>2020(1)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Exempt	1-Sep	1-Mar	1-Sep	1-Mar
	2.30%	3.00%	3.00%	3.00%
Non-Union, Non-Exempt	1-Jun	1-Mar	1-Jun	1-Mar
	3.00%	3.00%	3.00%	3.00%
United Steelworkers of America Local 7139-03	15-Aug	15-Aug	15-Aug	15-Aug
	3.00%	3.00%	3.00%	3.00%
United Steelworkers of America Local 13836-14	2-Sep	2-Sep	2-Sep	2-Sep
	3.00%	3.00%	3.00%	3.00%
Utility Workers Union of America Local 475	30-Sep	30-Sep	30-Sep	30-Sep
	3.00%	0.00%	3.00%	3.00%
Utility Workers Union of America Local 479	1-Nov	1-Nov	1-Nov	1-Nov
	3.00%	0.00%	3.00%	3.00%
United Steelworkers of America Local 1852-17	1-Apr	1-Apr	1-Apr	1-Apr
	2.00%	3.00%	3.50%	3.00%

¹ NiSource elected to forego awarding the annual merit increases for non-union exempt employees in director positions and above in 2020.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-029:

Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold for the lesser of the last three years or since the Company's last rate case or anticipated during the FTY. Explain how such amounts have been treated for ratemaking purposes.

Response:

CPA did not have any other utility property sold during 2023 and does not anticipate any sales of utility property during the FTY.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-30:

Please provide the level of each of the following which is included in the Company's cost of service by separate type and/or payee, which are incurred directly by the Company or are allocated or billed to the Company by affiliates or its parent company.

- a. fines and penalties
- b. contributions and donations
- c. membership dues
- d. lobbying expense
- e. employee activity costs (e.g., picnics, parties, awards)
- f. investor relations expenses

Response:

- a. All fines and penalties are booked below the line in account 426-3000.
- b. There is \$224,384 in various charitable organizations booked below the line in account 426. See Exhibit No. 4, Schedule 15, for a listing of the various payees.
- c. See GAS-RR-032 Attachment A for membership dues.
- d. Please see Table GAS-RR-030 below for Lobbying Expenses in each of the test periods. These were removed from the cost of service by ratemaking adjustments on Exhibit 4, Schedule No. 2 for the HTY and Exhibit No. 104, Schedule No. 2 for the FTY and the FPFTY:

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

TABLE GAS-RR-030

CPA 2024 Rate Case Summary of Lobbying Adjustments			
	HTY	FTY	FPFTY
	<u>TME November 30, 2023</u>	<u>TME November 30, 2024</u>	<u>TME December 31, 2025</u>
	\$	\$	\$
Labor	5,893.61	6,070.42	6,252.00
Materials and Supplies	5,744.18	5,858.00	5,985.00
Company Memberships	31,965.27	32,601.00	33,308.00
Outside Services	140,501.91	143,297.91	146,407.91
NCSC	<u>32,711.11</u>	<u>33,362.06</u>	<u>34,086.02</u>
Total Lobbying Removed	216,816.08	221,189.39	226,038.93

- e. There was \$0 spent on employee activities and recognition awards during the historic test year.
- f. NiSource Corporate Services Company (NCSC) billed Columbia Gas of Pennsylvania \$203,750 during the historic test year (HTY) for Investor Relations expenses. The budget for Investor Relations includes \$181,206 for the future test year (FTY) and \$138,677 for the fully projected future test year (FPFTY). Note that the amount for the HTY includes actual expense for Incentive Compensation for Investor Relations. Incentive Compensation is budgeted at the company level and not at the department level; therefore, the specific budget amounts associated with Investor Relations department are not known for the FTY and the FPFTY. Incentive Compensation is reflected in the budgets at the company level for the FTY and the FPFTY at target.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-031:

Please provide a description and the purpose for membership for each organization listed in the previous response.

Response:

The business and service associations listed comprise a widely varied group that all contribute either toward helping Columbia personnel perform their jobs more efficiently, or to improving the service territories where Columbia facilities are located.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-032:

Please provide the level of payments made to industry organizations included in cost of service along with a description of each payee organization or project.

Response:

Please see GAS-RR-032 Attachment A.

Columbia Gas of Pennsylvania, Inc.
Company Memberships - Industrial and Civic Associations Adjustment
Twelve Months Ended November 30, 2023

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	<u>Per Books Amount</u> \$ (1)
1	<u>INDUSTRIAL ASSOCIATIONS</u>		
2	AFRICAN AMERICAN CHAMBER OF		5,000
3	ALLEGHENY CONFERENCE ON		75,000
4	AMERICAN GAS ASSOCIATION - 1st Quarter Dues 2023		89,841
5	AMERICAN GAS ASSOCIATION - 2nd Quarter Dues 2023		89,841
6	AMERICAN GAS ASSOCIATION - 3rd Quarter Dues 2023		89,841
7	AMERICAN GAS ASSOCIATION - 4th Quarter Dues 2023		-
8	AMERICAN GAS ASSOCIATION - 4th Quarter Dues 2022 - Booked in December 2022		86,071
9	COMMON GROUND ALLIANCE		2,004
10	ENERGY ASSOC OF PA		108,230
11	FAYETTE CHAMBER OF COMMERCE INC		560
12	MARYLAND CHAMBER OF COMMERCE, INC.		2,800
13	MARYLAND COALITION FOR INCLUSIVE ENERGY		20,000
14	MD-DC UTILITIES ASSOCIATION		1,200
15	MON VALLEY REGIONAL CHAMBER		368
16	NORTHEAST GAS ASSOCIATION		10,417
17	PENNSYLVANIA CHAMBER OF		33,000
18	PITTSBURGH REGION CLEAN CITIES INC		1,000
19	PITTSBURGH WORKS TOGETHER, INC.		50,000
20	SOUTHERN GAS ASSOCIATION		5,540
21	WASHINGTON COUNTY CHAMBER OF COMMERCE		605
22	WESTMORELAND CHAMBER OF COMMERC		424
23	Total Industrial Organizations		<u>671,741</u>
24	Total Company Memberships Per Books	Ex. 4, Sch. 1, Pg. 2, Ln. 13	671,741
25	Total Adjustment for Company Memberships		<u>(28,195)</u>
26	Adjusted Company Memberships HTY November 30, 2023	Line 24 + Line 25	<u><u>643,546</u></u>

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-033:

Please provide the following information related to the Company's membership in AGA:

- a. Cost included in requested cost of service
- b. Cost excluded from requested cost of service
- c. Copy of the most recent audit report of AGA expenditures prepared by NARUC.
- d. Most recent correspondence received from AGA which addresses the percentage of dues related to lobbying or other separate activities.
- e. Policy statement, objective, purpose, etc. of AGA.

Response:

- a. Total AGA costs budgeted in the FPPTY cost of service are \$359,000.
- b. Columbia has made a ratemaking adjustment to exclude associated Lobbying costs on Exhibit 104, Schedule 2, page 13 based upon the HTY adjustment. The HTY exclusion represents 3.4% of the total dues.
- c. Columbia is not aware of any recent AGA audits by NARUC related to expenditures.
- d. Please see GAS-RR-033 Attachment A for the AGA 2023 Budget and the definitions of functional cost centers for the year ended December 31, 2023.
- e. AGA's Vision and Mission Statements can be viewed under the "About AGA" section of the American Gas Association web site at www.aga.org.

AMERICAN GAS ASSOCIATION
2023 BUDGET

All Programs	\$ 2023 Allocation	% 2023 Allocation
Communications	\$ 3,075,000	7%
Energy Markets, Analysis, and Standards	\$ 4,456,000	10%
General and Administrative	\$ 10,049,000	23%
General Counsel and Regulatory Affairs	\$ 3,917,000	9%
Government Affairs, Public Policy, and Advocacy	\$ 5,937,000	14%
Industry Finance & Administrative Programs	\$ 1,464,000	3%
Membership and Strategic Development	\$ 4,940,000	12%
Operations and Engineering	\$ 9,330,000	22%
Expense Budget	\$ 43,168,000	100%

Note

AGA estimates that lobbying related expenses, as defined under IRC Section 162, will account for 3.4% of member dues in 2023.



VISION STATEMENT

Committed to leveraging and utilizing America's abundant, domestic, affordable and clean natural gas to help meet the nation's energy and environmental needs.

MISSION STATEMENT

The American Gas Association (AGA) represents companies delivering natural gas safely, reliably, and in an environmentally responsible way to help improve the quality of life for their customers every day. AGA's mission is to provide clear value to its membership and serve as the indispensable, leading voice and facilitator on its behalf in promoting the safe, reliable, and efficient delivery of natural gas to homes and businesses across the nation.

CORE STRENGTHS

1. Conducts programs and develops standards to help enhance the safe delivery of natural gas to consumers;
2. Advocates for natural gas industry issues, regulatory constructs and business models that are priorities for the industry;
3. Promotes growth in the efficient use of natural gas by emphasizing before a variety of stakeholders the benefits of clean, abundant natural gas as part of the solution to the nation's energy and environmental goals;
4. Facilitates the exchange of information and improvement of performance metrics to help members achieve operational excellence;
5. Helps members manage and respond to the energy needs of customers, regulatory trends, natural gas or capital market issues and emerging technologies;
6. Collects, analyzes and disseminates information to opinion leaders, policy makers and consumers about the benefits provided by energy utilities and the natural gas industry;
7. Encourages the development, commercialization, and regulatory acceptance of natural gas end-use technologies; and
8. Delivers measurable value to AGA members.

Approved: October 13, 2015

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-034:

Please provide a copy of the most recent FERC audit findings, the Company's response and final disposition of audit exceptions.

Response:

NiSource Inc. (NiSource), including its service company, underwent a FERC audit, Docket No. FA11-5-000, which covered the period January 1, 2009 through December 31, 2010. Please refer to GAS-RR-034 Attachment A dated October 24, 2012 for the Final Audit Report issued by the FERC audit staff along with the Company's response. As indicated in the Final Report, the Audit Staff reviewed and tested the supporting details for NiSource Corporate Service Company's (NCSC) cost allocation methods. They then sampled and selected supporting documents to ensure that NCSC's billings and accounting comply with the USOA (Uniform System of Accounts). FERC identified several instances in which amounts were recorded in incorrect accounts and several instances where reports were not correctly submitted to FERC. FERC did not issue any adverse comments to NCSC related to its allocation methods.

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

In Reply Refer To:
Office of Enforcement
Docket No. FA11-5-000
October 24, 2012

NiSource Inc.
Attention: Stephen P. Smith
Executive Vice President and Chief Financial Officer
801 East 86th Ave.
Merrillville, IN 46410

Dear Mr. Smith:

1. The Division of Audits within the Office of Enforcement (OE) has completed the audit of NiSource Inc. (NiSource or Company) and its associated companies from January 1, 2009 through December 31, 2010. The enclosed audit report explains our audit findings and recommendations.
2. On August 21, 2012, you notified us that NiSource agrees with our findings and recommendations. A copy of your verbatim response is included as an appendix to this report. I hereby approve the audit findings and recommended corrective actions. Within 30 days of this letter order, NiSource should submit a plan to comply with the corrective actions. NiSource should make quarterly filings describing how and when it plans to comply with the corrective actions, including dates it has completed each corrective action. The submissions should be made no later than 30 days after the end of each calendar quarter, beginning with the first quarter after this audit report is issued, and continuing until all the corrective actions are completed.
3. The Commission delegated the authority to act on this matter to the Director of OE under 18 C.F.R. § 375.311 (2011). This letter order constitutes final agency action. Your Company may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713 (2011).
4. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of noncompliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.

NiSource Inc.

Docket No. FA11-5-000

5. I appreciate the courtesies extended to the auditors. If you have any questions, please contact Mr. Bryan K. Craig, Director and Chief Accountant, Division of Audits at (202) 502-8741.

Sincerely,

Handwritten signature of Norman C. Bay in blue ink, including a checkmark at the end.

Norman C. Bay
Director
Office of Enforcement

Enclosure



Federal Energy Regulatory Commission

Audit of NiSource Inc.

Affiliate Transactions, including its Compliance with:

- Cross-Subsidization Restrictions on Affiliate Transactions;
- Regulations Under the Public Utility Holding Company Act of 2005; and
- Uniform System of Accounts for Public Utilities and Natural Gas Companies' Accounting for Service Company Transactions

Docket No. FA11-5-000
October 24, 2012

Office of Enforcement
Division of Audits

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I. Executive Summary

A. Overview

The Division of Audits within the Office of Enforcement has completed an audit of NiSource Inc. (NiSource or the Company) including its service companies, and associated companies (collectively Companies). The audit was initiated to evaluate the Companies' compliance with the Federal Energy Regulatory Commission's (FERC or the Commission's): (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R. Part 35 (2010); (2) accounting, recordkeeping, and reporting requirements under 18 C.F.R. Part 366 (2010); (3) Uniform System of Accounts (USofA) for centralized service companies under 18 C.F.R. Part 367 (2010); (4) preservation of records requirements for holding companies and service companies under 18 C.F.R. Part 368 (2010); and (5) FERC Form No. 60 Annual Report requirements under 18 C.F.R. Part 369 (2010).

The audit also evaluated the associated public utility and natural gas companies' compliance with the Commission's accounting requirements for transactions with associated companies under 18 C.F.R. Parts 101 and 201 (2010), and the applicable reporting requirements in the FERC Form Nos. 1 and 2. The audit period covered January 1, 2009 through December 31, 2010.

B. NiSource Inc.

NiSource, headquartered in Merrillville, IN, is an energy holding company whose subsidiaries provide natural gas, electricity, and other products and services to approximately 3.8 million customers in a corridor that runs from the Gulf Coast through the Midwest to New England.

NiSource is organized into three primary business segments. The Gas Transmission and Storage Operations business segment operates interstate natural gas pipelines and storage facilities. NiSource's natural gas transmission subsidiaries include Columbia Gulf Transmission Company (CGT), Columbia Gas Transmission Company (TCO), Granite State, and others. NiSource's electric operation segment generates, transmits, and distributes electricity through its domestic public utility subsidiary, Northern Indiana Public Service Company (NIPSCO), to approximately 458,000 customers in 20 counties in northern Indiana. NiSource's natural gas distribution operations segment serves more than 3.3 million customers in seven states and operates approximately 59,000 miles of pipeline.

NiSource affiliates are served by two traditional centralized service companies, NiSource Corporate Services Company (NCSC) and NiSource Gas Transmission & Storage Company (NGTSC). Both service companies generally provide human capital services that include accounting, human resources, legal, and information technology support. NCSC provides human capital services to all of NiSource's subsidiaries, whereas NGTSC provides human capital services to only Columbia Gulf Transmission Company, one of NiSource's interstate gas transmission pipeline and storage companies.

C. Summary of Compliance Findings

Audit staff's compliance findings are summarized below. Details are in section IV of this report. Audit staff found eight areas of noncompliance:

- *Electric Public Utility's Accounting for Billings from the Service Company:* NIPSCO did not record some of the costs it received from NCSC in the appropriate accounts as required by the Commission's accounting regulations.
- *Prepayment for the use of Finance and Accounting Transformation Servers:* NCSC improperly accounted for a prepayment for the use of accounting servers in Account 186, Miscellaneous Deferred Debits, when it should have accounted for this prepayment in Account 165, Prepayments.
- *Accounting for Over-Funding of a Single-Employer, Defined Post-Retirement Benefit Plan:* NCSC inappropriately recorded the overfunding of a single-employer, defined post-retirement life insurance benefit plan in Account 186, Miscellaneous Deferred Debits, for 2009 and 2010. The Company should have recorded the overfunded status in Account 128, Other Special Funds.
- *Improperly Recorded Transferred Employee Benefits:* NCSC improperly recorded transferred employee benefits in Account 186, Miscellaneous Deferred Debits, for 2009 and 2010. The Company should have recorded these benefits in Account 146, Accounts Receivable from Associated Companies, until they were paid.
- *FERC-61 Reporting:* NiSource did not submit FERC-61, Narrative Description of Service Company Functions, filings for three special-purpose companies between 2006 and 2010, as the Commission regulations require.

- *Untimely Filing for Cash Management Agreement:* NiSource did not file changes to its cash management agreement within 10 days of the change in one occurrence during the audit period, as Commission regulations require.
- *Reporting of Transactions with Associated (Affiliated) Companies:* NiSource's public utility affiliate, NIPSCO, did not report the required information on page 429, Transactions with Associated (Affiliated) Companies, in the FERC Form No. 1s filed in 2009 and 2010. NiSource's natural gas pipeline and storage affiliates, TCO and CGT, did not report the required information on page 358, Transactions with Associated (Affiliated) Companies, in the FERC Form No. 2s filed in 2009 and 2010. Specifically, each entity did not report the accounts charged or credited for certain non-power goods and services provided for or by affiliates.
- *Miscellaneous Accounting Classification Errors:* NCSC improperly classified certain expenses in the wrong FERC accounts. NCSC should have classified these transactions in the proper accounts as the USofA for centralized service companies prescribed under 18 C.F.R. Part 367.

D. Summary of Recommendations

Audit staff's recommendations to remedy these findings are summarized below. Details are discussed in section IV of this report. To address each area of non-compliance, audit staff recommends that NiSource:

- Develop and implement policies and procedures to ensure that NCSC and NIPSCO comply with the Commission's accounting regulations for billings from NCSC.
- Conduct a study from the beginning of the audit period to present to determine the accuracy of the accounts that NIPSCO used to reallocate and record service company billings, and submit the results of this study to audit staff. NiSource should complete this study and submit it to the DA no later than 180 days after the date this audit report is issued.
- Make correcting entries to NIPSCO's accounting records to properly classify all charges the service company billed from the beginning of the audit period to present, and submit these journal entries to audit staff.

- Require NCSC to reclassify the remaining noncurrent prepayment portion of the finance and accounting transformation servers to Account 165.
- Reclassify the overfunded portion of its postretirement life insurance benefit from Account 186 to Account 128 for compliance with Docket No. IA07-1-000.
- Develop policies to ensure that long-term disability insurance for transferred employees is properly accounted for in Account 146.
- Develop and implement a process that periodically reviews all corporate entities that require a FERC-61 filing.
- Develop and/or strengthen policies and procedures for submitting its cash management agreements and subsequent changes or modifications to ensure compliance with Commission filing requirements.
- Strengthen its policies and procedures for submitting data on its FERC Form Nos. 1 and 2 to ensure accurate and complete reporting.
- Implement accounting policies, processes, and procedures to ensure the types of transactions identified above are recorded according to Commission regulations.
- Post correcting entries to NCSC's accounting records to properly classify all lobbying and political activity charges from the beginning of the audit period to present.

E. Compliance and Implementation of Recommendations

Audit staff further recommends that NiSource:

- Submit its plans for implementing audit staff's recommendations for audit staff's review. NiSource should provide its plan to audit staff within 30 days of the issuance of the final audit report in this docket.
- Submit all correcting entries to the Division of Audits within 30 days of the issuance of the final audit report in this docket, including all correcting entries affecting the books of the service company and associated franchised public utility (FPU).

- Submit quarterly reports to the Division of Audits describing the Companies' progress in completing each corrective action recommended in the final audit report in this docket. NiSource should make its quarterly filings no later than 30 days after the end of each calendar quarter, beginning with the first quarter after the final audit report in this docket is issued, and continuing until NiSource completes all recommended corrective actions.
- Submit copies of any written policies and procedures developed in response to the recommendations in the final audit report. These policies and procedures should be submitted for audit staff's review in the first quarterly filing after the Companies complete these items.

II. Background

A. Service Agreements, Cost Allocations, and Corporate Accounting System

The provisions of the General Service Agreement (GSA) between NCSC and NiSource's affiliates serve as the source of accounting policy and practice for billings of non-power goods and services. A regulated or nonregulated affiliate may select any or all of the services under the GSA. NCSC and its NiSource affiliates review their service agreements annually and agree on what NCSC services will be provided through budgeting. Such goods and services between affiliates are priced at fully allocated cost and to the extent possible, directly charged to the client or clients benefiting from a service. Any remaining charges that cannot be directly charged to an affiliate are allocated between the companies receiving the benefit of the service.

NCSC uses a central accounting system, also known as a work order system, to accumulate costs. This system is used to create and maintain all NCSC work orders, which receive all NCSC costs to bill the proper NiSource affiliate for work performed. The system also assigns a 10-digit alphanumeric code to the project or projects that details how expenses will be charged. The Company said much "front-end" work occurs in meetings between a department head working with an affiliate and NCSC personnel. These meetings help management build a consensus on how a new project's costs will be allocated to NiSource affiliates. Attendees at these meetings discuss the work that will take place to accurately determine which costs should be included in the work order system, the cost allocation base that should be used for the project, which companies benefit from the costs, and the portion of the cost each affiliate should receive and record in its accounting records.

Once NiSource management agrees to the basics of the newly created work order system project, costs are assigned using one of the base allocations¹ the Security and Exchange Commission (SEC) previously approved, or a direct company billing code. The work order system is designed so base allocations never change, but the companies that receive the costs can and do change. NCSC reviews and updates the amounts allocated to its affiliates every six months or

¹ The SEC approved all of NiSource's base allocations, and no other base allocations have been created since the Energy Policy Act of 2005 went into effect.

before, if an affiliated company is sold or no longer receives NCSC services.² Both the Company's external and internal auditors analyze the cost allocators yearly, and state public utility commissions also review the Company's cost allocations as they pertain to filed rate cases. The Company said NiSource has never had a cost allocation refused by a regulatory authority.

NCSC's total billings to associated companies for 2009 were \$377,469,976. Of that, \$276,719,054 was direct-charged (73.3 percent); \$99,430,359 (26.3 percent) was indirectly charged; and \$1,320,563 (0.3 percent) was compensation for the use of capital. Compensation for the use of capital represents interest expense paid on long-term intercompany notes.

NCSC's total billings to associated companies for 2010 were \$409,702,831. Of that, \$302,753,123 was direct-charged (73.9 percent); \$105,629,146 (25.8 percent) was indirectly charged; and \$1,320,562 (0.3 percent) was compensation for the use of capital.

B. Internal Audit Role and Reporting

NiSource's Internal Audit department (Internal Audit) is responsible for reviewing accounting systems, source documents, allocation bases, and billing procedures NCSC used to allocate costs to NiSource's parent holding company and all of its subsidiaries.

Annually, Internal Audit reviews cost allocation bases and billing procedures NCSC uses and recommends improvements to allocation and billing processes. For 2010, the primary business risks associated with these activities were that:

- Allocation factors may not be updated regularly to reflect current statistical data to ensure that NCSC charges are billed relative to current operations;
- Contract and convenience billings may not be properly billed to affiliates;
- Holding company costs may not be properly segregated and paid by the holding company;

² If an affiliate that receives allocated costs is sold, the cost allocations it participates in are updated. When an update occurs, the entire allocation system is updated.

- Executive time allocation may not accurately reflect the companies benefiting from their services;
- Not all indirect costs may be appropriately allocated to affiliates monthly; and
- Intercompany payables and receivables may not be billed and settled accurately and on time.

The Internal Audit department performed the annual audit and concluded that the methods and procedures used to allocate costs/expenses and bill subsidiary Companies, including the holding company, were reasonable.

C. Formula Rates

NiSource has one electric FPU jurisdictional to FERC with formula rates, and that company is NIPSCO. NIPSCO is a combination electric and natural gas public utility company that is a transmission-owning member of the Midwest Independent Transmission Service Operator, Inc. (MISO), whose transmission rates are set under formula rate in Attachment O of the MISO Open Access Transmission Energy and Operating Reserve Energy Markets Tariff. Attachment O uses data from the FERC Form No. 1 as inputs to calculate certain transmission rates for service.

To provide rate stability and certainty, rates are updated May 1 of each year, and are not updated out of cycle or recalculated retroactively due to late submissions of information. When MISO is informed of an error in a rate calculation, it reviews and corrects the error prospectively. At the request of the transmission owner, MISO will retroactively recalculate rates, and make refunds and/or charges for the current billing year.

III. Introduction

A. Objectives

The audit's objectives were to evaluate whether the Companies complied with Commission: (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R. Part 35 (2010); (2) accounting, recordkeeping, and reporting requirements under 18 C.F.R. Part 366 (2010); (3) Uniform System of Accounts (USofA) for centralized service companies under 18 C.F.R. Part 367 (2010); (4) preservation of records requirements for holding companies and service companies under 18 C.F.R. Part 368 (2010); and (5) FERC Form No. 60 Annual Report requirements under 18 C.F.R. Part 369 (2010).

The audit also evaluated associated public utility and natural gas companies' compliance with Commission accounting requirements for transactions with associated companies under 18 C.F.R. Parts 101 and 201 (2010), respectively; and, the applicable reporting requirements in FERC Form Nos. 1 and 2, respectively. The audit covered January 1, 2009 through December 31, 2010.

B. Scope and Methodology

To address audit objectives, audit staff:

- Reviewed NCSC's FERC Form No. 60 Annual Reports and NiSource's notification of holding company status FERC-65 filing. Audit staff reviewed these reports and filings to ensure that the information was reliable, accurate, and complete.
- Reviewed publicly available materials to understand NiSource operations, including select filings to the SEC (10-K and 10-Q), FERC Form Nos. 1, 2, and 2-A filings, prior audits, and other filings with the Commission.
- Identified the standards and criteria for evaluating Company compliance with each of the objectives of the audit scope. These standards and criteria include FERC rules, regulations, letter orders, and other requirements for holding and service companies, and FERC accounting regulations related to public utilities and natural gas companies.
- Conducted one site visit to NiSource offices in Columbus, OH. The site visit helped staff to understand NiSource's structure, activities, functions, systems, and processes used in its operations. While on site, audit staff reviewed and tested the supporting details for NCSC's cost allocation

methods; sampled and selected supporting documents to ensure that NCSC's billings and the FPU's accounting comply with the USofA; sampled and selected supporting documents to ensure that NCSC's accounting complies with the USofA; and ensured that NiSource and NCSC comply with preservation of records requirements.

- Held numerous discussions with Company employees to clarify and supplement Company responses to data requests and provide additional information on other areas of concern.
- Reviewed relevant audit reports and working papers of NiSource's Internal Audit department and external audit firm, Deloitte and Touche. Audit staff also reviewed several prior SEC audit reports.
- Conferred with officials from the Indiana Utility Regulatory Commission who have jurisdiction over NCSC's associated FPU.
- Conferred with other Commission staff on various compliance issues to ensure that audit findings would be wholly consistent with Commission precedent and policy. For example, audit staff conferred with staff from other divisions within the Office of Enforcement, and with technical and legal staff from other Commission offices, including the Office of Energy Market Regulation and Office of General Counsel.

Besides these actions, audit staff reviewed NiSource's regulatory compliance program. Audit staff assessed the compliance program for the audit scope areas consistent with prior Commission orders and policy statements. Specifically, audit staff:

- Reviewed NiSource's regulatory compliance program structure, including its authority and responsibilities for overseeing corporate compliance and the delegation of compliance responsibilities at the department level.
- Reviewed NiSource's Internal Audit department structure, including chain-of-command and access to the Board of Directors through the Audit Committee to assess the effectiveness and independence of the audit process.
- Interviewed executives, managers, and operational employees to evaluate their knowledge and application of NiSource's compliance program.

Audit staff performed several specific actions to evaluate the Companies' compliance with all relevant requirements of audit objectives. A summary of these actions include:

Cross-subsidization Restrictions

To evaluate compliance with Commission's cross-subsidization restrictions on affiliate transactions, audit staff:

- Reviewed policies, procedures, and practices as to the sale of non-power goods and services;
- Interviewed NiSource employees, particularly those who work in accounting and supply chain management on transfers of non-power goods and services;
- Reviewed and tested pricing methods for transferring non-power goods and services between the FPU, market-regulated power sales affiliates, and non-utility affiliates; and
- Sampled charges and payments to determine accurate pricing for the sale of goods and services to verify compliance with Commission pricing rules.

Accounting, Recordkeeping, and Financial Reporting

To evaluate compliance with the FERC's books, records, and filing requirements, audit staff reviewed NCSC's FERC Form No. 60 Annual Reports, NiSource's Notification of Holding Company Status – FERC-65 filing, and the FERC Form Nos. 1, 2, and 2-A reports of the associated FPU and natural gas companies. Select, electronically filed information in the FERC Form No. 60 was verified with supporting documentation to ensure that required information was reported accurately and consistently. Select information in the FERC Form No. 1 was also compared to the FERC Form No. 60 to ensure it was reported accurately.

To facilitate our review of NCSC's compliance with the USofA, audit staff reviewed, sampled, analyzed, and tested electronic data of NCSC's books to ensure that centralized service company accounting follows the USofA. When necessary, audit staff followed up with additional data requests and interviews.

With respect to the jurisdictional FPU's compliance with the Commission's USofA, audit staff selected and reviewed associated FPU accounts for NCSC's billed costs. Audit staff reviewed the charges billed and identified the accounts the FPU used to ensure that the jurisdictional FPU was properly accounting for service company costs.

We also reviewed NCSC's associated FPU accounting with the FERC Form No. 1 to ensure that NCSC billings for non-power goods and services were properly recorded and reported.

Preservation of Records

To evaluate compliance with preservation of records requirements for NiSource, audit staff interviewed the Company's Corporate Management Records officials responsible for complying with Commission requirements. Audit staff created a sample test for records to ensure that the Company's policies and procedures were being followed.

Cost Allocation and Billings

To facilitate our review of NCSC's cost allocation methods and costs NCSC billed to the associated FPU, audit staff identified all SEC-approved cost allocation methods by NCSC. Audit staff also inquired about any new allocation methods created after the Energy Policy Act of 2005 was implemented. Audit staff reviewed and tested supporting details of select cost allocation methods by reviewing select service company billings and corresponding jurisdictional utilities' accounting entries to determine compliance with the USofA.

IV. Findings and Recommendations

1. Electric Public Utility's Accounting for Billings from the Service Company

Northern Indiana Public Service Company (NIPSCO) did not record some of the costs it received from NCSC in the appropriate accounts as required by the Commission's accounting regulations.

Pertinent Guidance

18 C.F.R. Part 101 Account 163, Stores expense undistributed, states:

A. This account shall include the cost of supervision, labor and expenses incurred in the operation of general storerooms, including purchasing, storage, handling and distribution of materials and supplies.

18 C.F.R. Parts 101 Account 182.3, Other regulatory assets, states in part:

A. This account shall include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies. (See Definition No. 30.)

18 C.F.R. Parts 201 Account 182.3, Other regulatory assets, states in part:

A. This account shall include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies. (See Definition No. 31.)

18 C.F.R. Parts 101 and 201 Account 923, Outside services employed, state in part:

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

18 C.F.R. Part 201, Account 870, Operation supervision and engineering, states:

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as load dispatching, main operation, removing and resetting meters, etc., shall be charged to the appropriate account.

18 C.F.R. § 367.4261 Account 426.1, Donations, states:

This account must include all payments or donations for charitable, social or community welfare purposes.

Order No. 684 Paragraph 124 states in part:

Therefore, we will require centralized service companies to record the expenses it incurs for conducting operation and maintenance activities related to generation, transmission, distribution and customer services in the same expense accounts public utilities are required to use to record these costs. Using the 500 and 800 series of accounts also provides better assurance that costs are properly assigned because like items will be identified and measured in the same way regardless of the entity performing the work.

Order No. 684 Paragraph 125 states:

In responding to NARUC's concern, we will not prohibit the recording of charges in Account 923, Outside services. Prohibiting the use of this account would be overly prescriptive. It is possible that some service company costs would be accurately reported in Account 923. However, we believe that it is appropriate for utilities that receive bills from service companies to classify those costs in the appropriate accounts. Utilities would not be in compliance with Part 101, General Instruction 14, if they do otherwise. Specifically, General Instruction 14 requires that transactions with associated companies be recorded in the appropriate accounts for transactions of the same nature. We will require that centralized service companies performing services such as operation and maintenance services related to generation, distribution, transmission, and customer service on behalf of service companies to use the appropriate accounts for those services performed.

Order No. 684 Paragraph 126 states in part:

As discussed above, the use of the 500 and 800 accounts provides clarity about the types of services performed by centralized service companies and the costs of providing those services. Proper classification of service company costs facilitates proper classification of the costs at the utility. Therefore, we will require centralized service companies to use the 500 and 800 series of accounts as proposed.

Background

During the course of the audit, audit staff tested NIPSCO's accounting for billings received from NCSC, NiSource's primary service company. Audit staff sampled NCSC's transactions and costs billed to NIPSCO to determine how each company accounted for the billed costs. Audit staff discovered inconsistencies between how NCSC and NIPSCO recorded these costs. These inconsistencies occurred because NIPSCO reclassified these billed costs into accounts that differed from how NCSC accounted for these costs.

For example, NCSC billed certain costs to NIPSCO that it accounted for in Account 923, but NIPSCO reclassified some of these costs to Accounts 163, 870, and 182.3. Audit staff is concerned with NIPSCO's reclassifying these costs because the accounting used did not reflect the appropriate accounting based on the description of the costs incurred. The costs reflected in the billings from the NCSC are of the nature of outside services that should be properly classified in Account 923. This would be consistent in how NCSC originally accounted for these costs.

Also, audit staff discovered the same inconsistency in NCSC's billings of amounts included in Account 426.1 to NIPSCO. NCSC billed NIPSCO for donations in Account 426.1, which is a below-the-line account,³ but NIPSCO reclassified these billings to FERC operational Accounts 923 and 163. These transactions not only concern audit staff because the reclassification of service company billings did not result in the appropriate accounting for such costs, but in this instance NIPSCO reclassified these costs from a below-the-line to above-the-line accounts. Since NIPSCO recovers its costs under the MISO formula rate

³ The "line" is the net utility operating income on the income statement. Above-the-line accounts refer to costs that are recovered by the ratepayer and are accounted for as part of net utility operating income. Below-the-line accounts record costs that are the responsibility of the shareholder and are accounted for on the income statement below net utility operating income.

recovery mechanism, this reclassification was improperly recovered from wholesale customers.

NiSource believes it has complied with Order No. 684 because it allows service companies to use the 500 and 800 accounts to record charges related to generation, transmission, distribution operations, and customer service in the same expense accounts public utilities are required to use to record these costs. Audit staff agrees that Order No. 684 allows service companies to use the 500 and 800 accounts, but it does not circumvent General Instruction 14. Instead, Order No. 684 reaffirms General Instruction 14. Specifically, the instruction requires that transactions with associated companies be recorded in the appropriate accounts for transactions of the same nature. Audit staff determined that NiSource should have accounted for costs billed by NCSC in the appropriate accounts based on the Commission's accounting regulations, which means that it should have accounted for the outside services in Account 923 and donations in Account 426.1. The misclassifications resulted in a *de minimus* increase on NIPSCO's formula rate revenue requirement and did not result in refunds.

Recommendations

We recommend NiSource:

1. Develop and implement policies and procedures to ensure that NCSC and NIPSCO comply with the Commission's accounting regulations for billings from NCSC.
2. Conduct a study from the beginning of the audit period to present to determine the accuracy of the accounts that NIPSCO used to reallocate and record service company billings, and submit the results of this study to audit staff. NiSource should complete this study and submit it to the Division of Audits no later than 180 days after the date this audit report is issued.
3. Make correcting entries to NIPSCO's accounting records to properly classify all charges the service company billed from the beginning of the audit period to present, and submit these journal entries to audit staff.

2. Prepayment for the Use of Finance and Accounting Transformation Servers

NCSC improperly accounted for a prepayment for the use of accounting servers in Account 186, Miscellaneous Deferred Debits, when it should have accounted for this prepayment in Account 165, Prepayments.

Pertinent Guidance

18 C.F.R. § 367.1860 (a) Account 186, Miscellaneous deferred debits, states:

(a) This account must include all debits not provided for elsewhere, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, that are in the process of amortization and items the proper final disposition of which is uncertain.

18 C.F.R. § 367.1650 Account 165, Prepayments, states:

This account must include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and must be kept or supported in a manner so as to disclose the amount of each class of prepayment.

Background

As part of the audit, audit staff tested select accounts that had large increases or decreases during the audit period, or warranted further review due to unusual explanations or circumstances discussed in the notes for the FERC Form No. 60. During this process, audit staff learned that in 2005 NiSource wanted to outsource specific services in finance and accounting, IT, metering cash, human resources, supply chain, and storage services, and asked for bids from several companies that NiSource believed could adequately perform these services. IBM won the contract. These services were known as “towers,” and these six towers made up the services IBM provided to NiSource. The 10-year term of the contract expires in June 2015.

From June 2005 to the fall of 2007, NiSource and IBM executed 22 amendments to this agreement. Due to the number of amendments to the 2005 agreement and other issues, NiSource and IBM agreed to negotiate to restructure the nature and manner of services being provided under the original agreement. NiSource and IBM agreed to execute the First Amended and Restated Agreement in December 2007.

In the First Amended and Restated Agreement, NiSource moved back in-house several functions originally outsourced to IBM in June 2005. They included, but were not limited to, finance and accounting, human resources, and supply chain. The cost of the original agreement was adjusted down to reflect the services provided by the newly scaled-back agreement. The term of the new agreement was for the original 10 years and will expire in June 2015.

When this transition occurred, both NiSource and IBM agreed to a financial settlement that included: (1) termination fees of \$9.8 million paid to IBM and expensed immediately by NiSource in December 2007; (2) "wind-down" fees (IBM's fee to move work back to NiSource) of approximately \$1 million that were immediately expensed on NiSource's books in December 2007 and another \$1.2 million expensed over the time it took for the specific functions to be moved back to NiSource; (3) purchases of \$2.4 million for meter-to-cash equipment, and \$17.5 million for finance and accounting transformation software that NiSource capitalized; and (4) a \$12 million prepayment for the future use and support of finance and accounting transformation servers in which the current monthly amortized portion was recorded in Account 165, Prepayments, and the noncurrent portion was accounted for in Account 186, Miscellaneous Deferred Debits. This prepayment is expensed monthly over the remaining term of the IBM contract (91 months) starting back in December 2007, or \$131,868 per month ($\$12,000,000/91$ months = \$131,868).

Audit staff concluded that the Company should record the current portion of the prepayment in Account 165, but the remaining noncurrent portion should not be accounted for in Account 186. The remaining noncurrent portion of the prepayment should also be accounted for in Account 165.

Recommendations

We recommend NiSource:

4. Require NCSC to reclassify the remaining noncurrent prepayment portion of the finance and accounting transformation servers to Account 165; and
5. Develop policies and procedures to ensure that prepayments are accounted for in Account 165.

3. Accounting for Overfunding of a Single-Employer, Defined Postretirement Benefit Plan

NCSC inappropriately recorded the overfunding of a single employer, defined postretirement life insurance benefit plan in Account 186, Miscellaneous Deferred Debits, for 2009 and 2010. The Company should have recorded the overfunded status in Account 128, Other Special Funds.

Pertinent Guidance

18 C.F.R. § 367.1860 (a) Account 186, Miscellaneous deferred debits, states:

(a) This account must include all debits not provided for elsewhere, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, that are in the process of amortization and items the proper final disposition of which is uncertain.

18 C.F.R. § 367.1280 (a) Account 128, Other special funds, states:

(a) This account must include the amount of cash and book cost of investments that have been segregated in special funds for insurance, employee pensions, savings, relief, hospital, and other purposes not provided for elsewhere. This account must also include unrealized holding gains and losses on trading and available-for-sale types of security investments. A separate account with appropriate title, must be kept for each fund.

Docket No. AI07-1-000; To All Jurisdictional Public Utilities and Licensees, Natural Gas Companies, Oil Pipeline and Companies and Centralized Service Companies, states in No. 2:

2. Accounts for Recording the Overfunded or Underfunded Status of Postretirement Defined Benefits Plans states in part:

Question 2A: What FERC accounts should jurisdictional entities use to record an asset for the overfunded status of one or more employee postretirement benefit plans?

Response: Public utilities and licensees, natural gas companies, oil pipeline companies and centralized service companies should use the accounts shown below to record assets for the overfunded status of

their employees postretirement benefit plans. Separate subaccounts should be maintained for each postretirement benefit plan and overfunded plans should not be netted against underfunded plans, consistent with paragraph number 4 of SFAS No. 158.

Jurisdictional Entity	FERC Accounts
Public utilities and licensees (Major)	Account 129, Special funds
Public utilities and licensees (Nonmajor)	Account 128, Other special funds, or Account 129, Special funds
Natural gas companies	Account 128, Other special funds
Oil pipeline companies	Account 22, Sinking and other funds
Centralized service companies	
<ul style="list-style-type: none"> ▪ Periods prior to January 1, 2008 	Account 124, Other investments, or Account 128, Other special funds
<ul style="list-style-type: none"> ▪ January 1, 2008 and subsequent periods 	Account 128, Other special funds

Background

During the testing and verification of service company accounts, audit staff learned that NCSC provided a retiree life insurance benefit for its employees through Prudential Insurance Company (Prudential). An employee’s premium is paid by NiSource to Prudential, which provides the benefit. This benefit is available to any active NiSource employee who is 55 years of age and has 10 years of service at retirement. The benefit amount is determined by employee classification (e.g., exempt, nonexempt, nonunion, and by each separate union). A retiree’s beneficiary receives life insurance proceeds directly from Prudential.

Aon Hewitt, NiSource’s actuary, provides actuarial services at least once annually for NiSource, as ASC 715 (formally SFAS 106) requires, to determine the funded status of NiSource’s Postretirement Welfare Plans, for which health care and life insurance benefits are determined separately. Aon Hewitt receives from NiSource the fair value of trust assets on December 31 and determines the obligation associated with the retiree life insurance benefit. The net overfunded status is recorded as a net asset on a respective subsidiary’s books, or conversely, the unfunded amount would be recorded as a net liability. NCSC accounted for this overfunding of contributions in Account 186.

Audit staff concluded that the overfunded status of retiree life insurance benefits should not be posted in Account 186. The Company should follow the instructions in Docket No. IA07-1-000 for the overfunded status of one or more employee postretirement benefit plans and use Account 128, Other Special Funds.

Recommendations

We recommend NiSource:

6. Reclassify the overfunded portion of its postretirement life insurance benefit from Account 186 to Account 128 for compliance with Docket No. IA07-1-000; and
7. Properly account for future over- and under-funding of its postretirement life insurance benefit under the requirements in Docket No. IA07-1-000.

4. Improperly Recorded Transferred Employee Benefits

NCSC improperly recorded transferred employee benefits in Account 186, Miscellaneous Deferred Debits, for employees who transferred from Columbia Energy Group (CEG) to NCSC in both 2009 and 2010. The Company should have recorded these benefits in Account 146, Accounts Receivable from Associated Companies, until they were paid.

Pertinent Guidance

18 C.F.R. § 367.1860 (a) Account 186, Miscellaneous deferred debits, states:

(a) This account must include all debits not provided for elsewhere, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, that are in the process of amortization and items the proper final disposition of which is uncertain.

18 C.F.R. § 367.1460 (a) Account 146, Accounts receivable from associate companies, state:

(a) This account must include notes and drafts upon which associate companies are liable, and that mature and are expected to be paid in full not later than one year from the date of issue, together with any related interest thereon, and debit balances subject to current settlement in open accounts with associate companies. Items that do not bear a specified due date but that have been carried for more than twelve months and items that are not paid within twelve months from due date must be transferred to account 123, Investment in associate companies (§367.1230).

Background

During review and testing of several select service company accounts, audit staff learned that all NiSource employees are eligible on the date of hire to receive long-term disability (LTD) benefits. Each year, NiSource calculates the LTD estimate based on future medical, dental, and life insurance costs for the next 15 years. Each LTD employee's birthdate is used to determine how much money to accrue per LTD employee per company because employees are eligible to receive these benefits only until age 65. Aon Hewitt, NiSource's actuary, provides the actuarial services for this annual true-up calculation.

NiSource pays an employee's premium for LTD insurance to Prudential. If the employee becomes disabled, Prudential provides LTD coverage and pays benefits directly to the employee.

If an employee transfers to a different affiliate within the NiSource holding company system, the LTD liability balance associated with that employee is also transferred and accounted for in Account 186, Miscellaneous Deferred Debits. In this instance, employees transferred from CEG to NCSC.

Audit staff concluded that the Company's use of Account 186 as an associate company's accounts receivable account was inappropriate. The Company should use Account 146, Accounts Receivable from Associate Companies, for this type of transaction.

Recommendations

We recommend NiSource:

8. Develop policies and procedures to ensure that LTD insurance for transferred employees is properly accounted for in Account 146; and
9. Transfer any remaining LTD amounts for transferred employees to the appropriate account.

Corrective Action

During the audit, NCSC calculated the total deferred debit related to employee transfers and transferred these amounts to Account 146, Accounts Receivable from Associated Companies. NCSC also provided audit staff with journal entries and computer screen images of the completed transactions.

5. FERC-61 Reporting

NiSource did not submit FERC-61, Narrative Description of Service Company Functions, filings for three special-purpose companies between 2006 and 2010, as required under the Commission's regulations.

Pertinent Guidance

18 C.F.R. Part 366.23 (a)(2), FERC Form No. 60, Annual reports of centralized service companies, and FERC-61, Narrative description of service company functions, states:

(a)(2) FERC-61. Unless otherwise exempted or granted a waiver by Commission rule or order pursuant to §§366.3 and 366.4, every service company in a holding company system, including a special-purpose company (e.g., a fuel supply company or a construction company), that does not file a FERC Form No. 60 shall instead file with the Commission by May 1, 2007 and by May 1 each year thereafter, a narrative description, FERC-61, of the service company's functions during the prior calendar year. In complying with this section, a holding company may make a single filing on behalf of all such service company subsidiaries.

18 C.F.R. Part 366.1, Definitions, codifies the definitions of "goods" and "service" under PUHCA 2005:

Goods. The term "goods" means any goods, equipment (including machinery), materials, supplies, appliances, or similar property (including coal, oil, or steam, but not including electric energy, natural or manufactured gas, or utility assets) which is sold, leased, or furnished, for a charge.

Service. The term "service" means any managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or any other service (including supervision or negotiation of construction or of sales), information or data, which is sold or furnished for a charge.

18 C.F.R. Part 367.1, Definitions, codifies the definitions of "centralized service company" and "service company":

(a)(7) *Centralized service company* means a service company that provides services such as administrative, managerial, financial, accounting, recordkeeping, legal or engineering services, which are sold, furnished, or otherwise provided (typically for a charge) to other companies in the same holding company system. Centralized service companies are different from other service companies that only provide a discrete good or service.

(a)(45) *Service company* means any associate company within a holding company system organized specifically for the purpose of providing non-power goods or services or the sale of goods or construction work to any public utility or any natural gas company, or both, in the same holding company system.

In Order No. 667, the Commission further clarified the distinction between centralized service companies and special-purpose companies:

“Our adoption of different policies for traditional, centralized service companies compared to special-purpose companies could make the distinction between the two more important than it has been previously. We view the former as performing generally corporate administration functions and the latter as providing generally a single input to utility operations, such as fuel supply, construction, or real estate.”⁴

Background

Audit staff reviewed all the entities in NiSource’s corporate structure to identify any special-purpose companies. Audit staff discovered that NiSource did not submit a FERC-61 describing non-power goods or services provided by CNS Microwave, Inc., NiSource Insurance Corporation, Inc. (insurance company), and NIPSCO Accounts Receivable Corporation (financing subsidiary) for 2009 or 2010.

CNS Microwave, Inc. leases space on communication towers for its customers, including two of NiSource’s interstate pipelines, to install antennas. Also, the company leases ground space in the tower compound for customers to place shelters or cabinets with ground equipment. NiSource Insurance Corporation, Inc. (NICI) is a wholly owned insurance subsidiary of NiSource, Inc. NICI was set up for the purpose of decreasing the reliance on commercial insurance markets to reduce price and coverage volatility, provide stable insurance costs and programs, and reduce the long-term cost of risk for NiSource as a whole.

⁴ Order No. 667 at n. 178.

NICI participates as a reinsurer within the NiSource insurance program for NiSource companies, including their interstate pipelines and jurisdictional electric company, on these lines of coverage: Property, Workers' Compensation, General Liability, Auto Liability, Long-Term Disability, and Group Life Insurance. NIPSCO Accounts Receivable Corporation is a wholly owned financing subsidiary that buys trade receivables from NIPSCO and sells them to the Royal Bank of Scotland PLC.

After discussions with NiSource's staff, audit staff concluded that these entities should have made FERC-61 filings to the Commission since they provided goods or services to its public utilities or natural gas companies, or both, within NiSource's corporate structure.

NiSource stated that it inadvertently failed to submit FERC-61 filings for their special-purpose companies due to a lack of formal processes and procedures for identifying them.

Recommendations

We recommend NiSource:

10. Submit FERC-61 filings to the Commission for these special-purpose companies in 2009 and 2010;
11. Develop and implement a process that periodically reviews all corporate entities that require a FERC-61 filing; and
12. Submit copies of any written policies and procedures developed in response to this recommendation to the Commission, within 30 days of the issuance of the final report in this docket.

Corrective Actions

On June 10, 2011, NiSource submitted FERC-61 filings to the Commission for its three special-purpose companies for the calendar years 2006 through 2010 under Docket Nos. HC07-7-000, HC08-7-000, HC09-7-000, HC10-7-000, and HC11-7-000.

6. Untimely Filing for Cash Management Agreement

NiSource did not file changes to its cash management agreement within 10 days of the change in one occurrence during the audit period, as Commission regulations required.

Pertinent Guidance

18 C.F.R. § 141.500 Cash management programs states:

Public utilities and licensees subject to the provisions of the Commission's Uniform System of Accounts prescribed in part 101 and § 141.1 or § 141.2 of this title that participate in cash management programs must file these agreements with the Commission. The documentation establishing the cash management program and entry into the program must be filed within 10 days of the effective date of the rule or entry into the program. Subsequent changes to the cash management agreement must be filed with the Commission within 10 days of the change.

Background

NiSource operates a cash management program known as "the money pool" to facilitate short-term loans to its affiliates. NiSource's cash management agreement provides the terms and conditions that govern money pool contributions and loans. The cash management agreement contains borrowing and lending terms and conditions, and a listing of companies authorized to participate in the money pool, as well as the handling of excess money pool funds and deficiencies.

NiSource files its cash management agreements with the Commission under Docket No. RM02-14. During the audit, audit staff identified five cash management agreements that NiSource filed. However, when audit staff compared the effective dates of the agreements to the filing dates, it was determined that NiSource filed one cash management agreement 14 days after the effective date and not within the 10 days the Commission requires. NiSource stated that the reason for the late filing was due to an oversight on the part of the company.

Recommendation

13. We recommend NiSource develop and/or strengthen policies and procedures for submitting its cash management agreements and subsequent changes or modifications to ensure compliance with Commission filing requirements.

7. Reporting of Transactions with Associated (Affiliated) Companies

NiSource's electric affiliate, NIPSCO, did not report the required information on page 429, Transactions with Associated (Affiliated) Companies, in the FERC Form No. 1s filed in 2009 and 2010. Similarly, NiSource's gas affiliates, Columbia Gas Transmission Company (TCO) and Columbia Gulf Transmission Company (CGT), did not report the required information on page 358, Transactions with Associated (Affiliated) Companies, in the FERC Form No. 2s filed in 2009 and 2010. Specifically, they did not report the accounts charged or credited for certain non-power goods and services provided for or by affiliates.

Pertinent Guidance

In Order No. 715,⁵ the Commission added a new schedule on page 429 of the 2008 FERC Form No. 1 to provide further transparency and improve the detection of cross-subsidization. The new schedule, "Transactions with Associated (Affiliated) Companies," provides information concerning affiliate transactions which includes:

- (1) a description of the good or service charged or credited; (2) the name of the associated (affiliated) company; (3) the USofA account charged or credited; and (4) the amount charged or credited.

In Order No. 710,⁶ the Commission added a new schedule on page 358 of the 2008 FERC Form No. 2 to provide further transparency and improve the detection of cross subsidization. The new schedule, "Transactions with Associated (Affiliated) Companies," provides information concerning affiliate transactions which includes:

- (1) a description of the good or service transacted; (2) the name of the associated (affiliated) company; (3) the FERC account charged or credited; and (4) the amount charged or credited.

⁵ Revisions to Forms, Statements and Reporting Requirements for Electric Utilities and Licensees, Order No. 715, FERC Stats. & Regs. ¶ 31,277 (2008).

⁶ Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines, Order No. 710, FERC Stats. & Regs. ¶ 31,267 (2008).

Background

NiSource's holding company includes one regulated electric utility and two regulated gas pipelines. As part of the audit scope relating to affiliate transactions, audit staff reviewed page 429 of NIPSCO's FERC Form No. 1 and page 358 of TCO and CGT's FERC Form No. 2s.

FERC Form No. 1, page 429, requires electric utilities to disclose the non-power goods and services provided by or for affiliates during the calendar year, including a description of services, an affiliate's name, the accounts used to record the services, and the dollar amount of the services. Specifically, column C requires the company to list the accounts used to record services and prohibits it from using general terms such as "various." For 2009 and 2010, NIPSCO reported the accounts in column C as "various" for multiple charges for both non-power goods provided by and for affiliates. NIPSCO should have either listed the accounts used or footnoted them in the notes following page 429.

FERC Form No. 2, page 358, requires jurisdictional gas pipelines to disclose the non-power goods and services provided by or for affiliates during a calendar year, including a description of services, an affiliate's name, the accounts used to record the services, and the dollar amount of the services. As in the FERC Form No. 1, column C of FERC Form No. 2 requires gas pipelines to list the accounts used to record services and prohibits the company from using general terms such as "various." For both 2009 and 2010, TCO and CGT reported the accounts in column C as "various" for multiple charges for both non-power goods provided by and for affiliates. TCO and CGT should have either listed the accounts used or footnoted the accounts in the notes following page 358.

Recommendations

We recommend NiSource:

14. Strengthen its policies and procedures for submitting data on its FERC Form Nos. 1 and 2 to ensure accurate and complete reporting.
15. Resubmit its 2011 FERC Form Nos. 1 and 2 to correct pages 429 and 358, respectively.

8. Miscellaneous Accounting Classification Errors

NCSC improperly classified certain expenses in the wrong FERC accounts. NCSC should have classified these transactions in the proper accounts as the USofA for centralized service companies prescribed under 18 C.F.R. Part 367.

Pertinent Guidance

18 C.F.R. § 367.2 (a) Companies for which this system of accounts is prescribed, states in part:

(a) Unless otherwise exempted or granted a waiver by Commission rule or order pursuant to §§366.3 and 366.4 of this chapter, this Uniform System of Accounts applies to any centralized service company operating, or organized specifically to operate, within a holding company system for the purpose of providing non-power services to any public utility or any natural gas company, or both, in the same holding company system.

Background

As part of the audit, audit staff tested a sample of transactions to determine if the service company's accounting system was accurately charging the proper amounts to the appropriate FERC accounts. Audit staff identified various income statement items in several accounts. In particular, the errors related to:

<u>Description</u>	<u>Account Used</u>	<u>Proper Account</u>
Charitable Contributions	807.2	426.1
	870	426.1
	921	426.1
	930.2	426.1
Lobbying	930.1, then reclassified to 930.2	426.4
Employee Dues and Memberships	408	921
	923	921
	930.2	921

<u>Description</u>	<u>Account Used</u>	<u>Proper Account</u>
Meals and Entertainment	923	921
	930.2	921
	932	921
Company Dues and Memberships	870	930.2
	885	930.2
	903	930.2
	921	930.2
	923	930.2
	932	930.2

NiSource should have classified these transactions mentioned above in the proper account as prescribed by the USofA for centralized service companies under 18 C.F.R. Part 367. Audit staff has determined that such misclassifications are immaterial and have no effect on transmission formula rate billings.

Recommendations

We recommend NiSource:

16. Implement accounting policies, processes, and procedures to ensure the types of transactions indentified above are recorded according to Commission regulations; and
17. Post correcting entries to NCSC's accounting records to properly classify all lobbying and political activity charges from the beginning of the audit period to present.

Appendix



August 21, 2012

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Columbus, OH 43215

Bryan K. Craig
Director and Chief Accountant
Division of Audits
Office of Enforcement
Federal Energy Regulatory Commission
888 First Street, NE, RM 5K-13
Washington, DC 20426

**RE: Audit of NiSource Inc.
Docket No. FA11-5-000**

Dear Mr. Craig:

Thank you for the opportunity to review and comment on the August 6, 2012 Draft Audit Report covering the period January 1, 2009 through December 31, 2010, issued to NiSource Inc. ("NiSource") in the above-referenced docket. NiSource has carefully reviewed audit staff's report addressing NiSource's compliance with the Commission's: 1) cross subsidization restrictions on affiliate transactions; (2) accounting, recordkeeping, and reporting requirements; (3) Uniform System of Accounts (USofA) for centralized service companies; (4) preservation of records requirements for holding companies and service companies; (5) FERC Form No. 60 Annual Report requirements, and the associated public utility and natural gas companies' compliance with the Commission's accounting requirements for transactions with associated companies and the applicable reporting requirements in the FERC Form Nos. 1 and 2. NiSource generally agrees with the findings and recommendations included in the Draft Report. As noted in the detail below, NiSource has already implemented many of the corrective actions recommended therein.

With respect to the specific findings and recommendations, NiSource offers the following response and comment, as requested.

1. Electric Public Utility's Accounting for Billings from the Service Company: NiSource agrees with this finding and recommendation. NiSource will develop and implement procedures to ensure that NiSource Corporate Services Company ("NCSC") and Northern Indiana Public Service Company ("NIPSCO") comply with the Commission's accounting regulations for billings from NCSC. NiSource will provide these procedures to the Division of Audits within 30 days of the issuance of the final audit report in this docket. NiSource has conducted a study from the beginning of the audit period to the present to determine the accuracy of the accounts that NIPSCO used to reallocate and record service company billings specifically for Accounts 163, 870, and 182.3 that NCSC accounted for in Account 923. Based on the study conducted by NiSource and per discussion with FERC audit staff, these items were all charged to the income statement and rolled to retained earnings in a prior calendar period. Thus, FERC correcting entries to NIPSCO's retained earnings for prior year amounts is not deemed necessary based on the materiality of the amounts charged to these accounts in 2009, 2010, and 2011. Going forward, NIPSCO will record the items previously recorded to Accounts 163, 870, and

182.3 to Account 923. NIPSCO calculated the amount that would be refunded under the MISO formula rate recovery mechanism for the billings of amounts for Account 426.1 which was included by NIPSCO above the line. The amount calculated is immaterial (less than \$1800 for all three years 2009, 2010 and 2011) and would not materially impact rates. NiSource has provided copies of the refund calculation herein as "Finding 1_Att A_MISO calc 2009.pdf," "Finding 1_Att B_MISO calc 2010.pdf," and "Finding 1_Att C_MISO calc 2011.pdf." In subsequent reporting periods, NIPSCO will record the items previously recorded to Account 923 for donations to 426.1 as recorded by NCSC.

2. Prepayment for the Use of Finance and Accounting Transformation Servers: NiSource generally agrees with this finding and recommendation. NCSC recorded a long-term prepaid balance in Account 186, Miscellaneous Deferred Debits, as it interpreted the USofA Part 367, Subpart F-Balance Sheet Chart of Accounts, 18 C.F.R. § 367.1650, Account 165 Prepayments, to be designated only for "Current and Accrued Assets" as noted under Subpart F. For regulatory accounting, NCSC did reclassify the entire non-current prepayment balance for the use of Finance and Accounting transformation servers at 12/31/11 from Account 186 to Account 165 as noted in the 2011 FERC Form No. 60, page 110, Line No. 4 footnote. The reclassification entry completed at December 31, 2011 is provided herein as "Finding 2_Att. A_165 Transformation.pdf." The prepayment for the use of Finance and Accounting transformation servers will be fully amortized as of June 30, 2015.

3. Accounting for Overfunding of a Single-Employer, Defined Postretirement Benefit Plan: NiSource generally agrees with this finding and recommendation. NCSC had recorded its overfunding of its defined postretirement benefit in Account 186, Miscellaneous Deferred Debits, which is a noncurrent asset account in compliance with ASC 715-20, *Compensation-Retirement Benefits, Defined Benefit Plans*. Further, per 18 C.F.R. § 367.1280(b), "amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employee benefits must not be included in Account 128." Therefore, based on the Section 367.128(b), NCSC felt it was in compliance with Title 18 C.F.R. Part 367 – Uniform System of Accounts for Centralized Service Companies as NCSC funds its postretirement benefits through an irrevocable trust agreement. The Commission's Chief Accountant issued a guidance letter in Docket No. AI07-1-1000 in March 2007, which states that centralized service companies should use Account 128 to record assets for the overfunded status of their employee postretirement benefit plans. Based on audit staff's explanation that the guidance letter issued in Docket No. AI07-1-1000 supersedes 18 C.F.R. § 367.1280(b), NCSC made a regulatory accounting reclassification of the overfunding amount in Account 186 to Account 128 to be in full compliance with the guidance issued in Docket No. AI07-1-000. The reclassification entry completed at December 31, 2011 is provided herein as "Finding 3_Att. A_128 Overfunding.pdf." Further, NCSC's 2011 FERC Form No. 60, page 110, Line 5, shows the 186 balance to be \$0 at December 31, 2011. At December 31, 2011, and thereafter, NCSC is properly accounting for future over- and underfunding of its postretirement life insurance benefit under the guidance issued in Docket No. AI07-1-000.

4. Improperly Recorded Transferred Employee Benefits: NiSource agrees with this finding and recommendation. As noted in the Corrective Actions listed on page 23 of the Audit Report, NiSource has provided audit staff with journal entries and screen images of the

completed transactions. In addition, NiSource's 2011 FERC Form No. 60, page 110, Line 5, shows the 186 balance to be \$0 at December 31, 2011. NCSC did develop a new policy and procedure in December of 2011 to ensure that LTD insurance for transferred employees is properly accounted for in Account 146. A copy of the written policies and procedures developed in response to this recommendation is provided herein as "Finding 4_Att. A_LTD Benefits Policy.doc."

5. FERC-61 Reporting for Special Purpose Companies: NiSource agrees with this finding and recommendation. As noted in the Corrective Actions listed on page 26 of the Audit Report, NiSource has submitted the FERC-61 filings required for the years 2006 – 2009 for its special-purpose service companies. NiSource has updated its policies and procedures to now include the filing of FERC-61 reports in its regulatory compliance program so that these documents are filed in a timely manner. Copies of the written policies and procedures developed in response to this recommendation are included herein as "Finding 5_Att. A_FERC Holding Co. Policy.pdf" and "Finding 5_Att. B_FERC Service Co. Policy.pdf".

6. Untimely Filing of Cash Management Programs: NiSource agrees with this finding and recommendation. NiSource submitted one cash management agreement within 10 business days (14 calendar days), and not within the 10 calendar days as required by the Commission's regulations (18 C.F.R. § 141.500). NiSource has discussed its process internally and commits to strengthen its policies and procedures to ensure that all employees involved in the preparation and filing of cash management agreements are aware of the filing requirements. There have been no other instances of late filings.

7. Reporting of Transactions with Affiliated Companies: NiSource agrees with this finding and recommendation. NiSource will resubmit its 2011 FERC Form No. 2 for Columbia Gas Transmission, LLC, and Columbia Gulf Transmission Company to correct page 358 by replacing the term "various" with a listing of accounts used to record the services. Filings will be resubmitted by the end of the third quarter 2012. NIPSCO strengthened its procedures during 2011 and filed the 2011 FERC Form No. 1, page 429, properly by providing a listing of accounts used to record services rather than "various" as done in its 2009 and 2010 filings. Included herein is attachment "Finding 7_Att. A_Form 1.pdf" which is a copy of NIPSCO's 2011, Form 1, page 429. NiSource's interstate pipelines have completed their documentation of compliance procedures for each of their Form No. 2 pages. Included herein is attachment "Finding 7_Att. B_Form 2 p. 358 procedures.pdf" which is a copy of the NiSource's compliance procedures specifically for p. 358 of Form No. 2. Upon request, NiSource will make copies of all compliance procedures for all pages of its Form No. 2 available to FERC.

8. Miscellaneous FERC Account Classification Errors: NiSource agrees with this finding and recommendation. Starting in the third quarter of 2011, NCSC strengthened its policies and procedures for ensuring that expenses were in the proper FERC accounts. A copy of the policy implemented by NCSC is included herein as "Finding 8_Att. A_FERC Classification Policy.docx." In compliance with its policy, NCSC is performing an analysis and making reclassification entries on a quarterly basis to ensure proper recording to FERC accounts. The quarterly reclassification entries made to properly record to FERC accounts are included herein as "Finding 8_Att. B_Q3 2011 FERC Reclass.pdf," "Finding 8_Att. C_Q4 2011 FERC

Reclass.pdf," "Finding 8 Att. D_Q1 2012 FERC Reclass.pdf," and "Finding 8 Att. E_Q2 2012 FERC Reclass.pdf." Amounts recorded for lobbying and political activities for the audit period were immaterial in nature (\$748 in 2009 and \$10,436 in 2010), have rolled to retained earnings in a prior calendar period, and thus NiSource deems prior period entries unnecessary.

Until all corrective actions have been implemented, NiSource will make the recommended quarterly progress reports no later than 30 days after the end of each calendar quarter.

NiSource appreciates the professionalism and transparency of audit staff assigned to this audit. NiSource takes its compliance obligations very seriously, and we continually strive to improve and enhance our regulatory compliance efforts. Should you have any questions regarding this response, please do not hesitate to contact Susanne M. Taylor, Controller of NiSource Corporate Services Company, at 614-460-4686. Thank you for your time and attention in this matter.

Sincerely,



Stephen P. Smith
Executive Vice President and Chief Financial Officer

cc: Gerald Williams

Attachments Enclosed on CD:

Finding 1_Att A_MISO calc 2009.pdf
Finding 1_Att B_MISO calc 2010.pdf
Finding 1_Att C_MISO calc 2011.pdf
Finding 2_Att. A_165 Transformation.pdf
Finding 3_Att. A_128 Overfunding.pdf
Finding 4_Att. A_LTD Benefits Policy.doc
Finding 5_Att. A_FERC Holding Co. Policy.pdf
Finding 5_Att. B_FERC Service Co. Policy.pdf
Finding 7_Att A_Form 1.pdf
Finding 7_Att B_Form 2 p. 358 procedures.pdf
Finding 8_Att. A_FERC Classification Policy.docx
Finding 8_Att. B_Q3 2011 FERC Reclass.pdf
Finding 8_Att. C_Q4 2011 FERC Reclass.pdf
Finding 8_Att. D_Q1 2012 FERC Reclass.pdf
Finding 8_Att. E_Q2 2012 FERC Reclass.pdf

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-035:

Please provide the annual level of forfeited discounts or late payment charges for the preceding three calendar years. Identify the level of sales revenue with which these are associated.

Response:

<u>Year</u>	<u>Forfeited Discounts</u> \$	<u>Revenue</u> \$
2021	454,928	654,767,935
2022	1,705,969	826,485,810
2023 ¹	1,875,194	834,813,742

¹ Please see Company witness Battig's testimony for additional information concerning the level of Forfeited Discounts for the HTY, the Twelve Months Ended November 30, 2023.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-036:

If not reflected in the lead-lag study, please provide a listing of the various types of employee withholdings, garnishments and other employee funds held by the Company for remittance at a later date.

Response:

As noted in response to GAS-RR-018, Columbia is not making a claim for cash working capital and no lead lag study is included in the filing. The following is a list of miscellaneous employee withholdings and the amount held by the company as of November 30, 2023.

	Balance
	<u>11/30/2023</u>
	\$
Charitable Donations - Primarily United Way	1,856.90
Union Dues	(28,281.52)
Garnishments	5,781.20
NiSource, Inc. Political Action Contribution	2,512.91
Total	<u>(18,130.51)</u>

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. GAS-RR-037:

Please provide all detailed work papers supporting the adjustments to rate base and operating income.

Response:

Supporting schedules to rate base have been provided in Exhibits No. 8 and No. 108 and supporting schedules to operating income have been provided in Exhibits No. 2 and No. 102. Work papers supporting these exhibits and schedules are detailed and voluminous. Therefore, the workpapers will be made available upon request.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-038:

Please provide a copy of the Company's most recent SFAS 106 plan actuarial study.

Response:

The confidential actuarial study has been designated as Exhibit No. 4, Schedule 7, and will be provided subject to an appropriate confidentiality agreement or protective order.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-039:

Please reconcile the historical and future test year SFAS No. 106 expense levels with the amount identified in the actuarial report.

Response:

A. HTY

There is a \$6,586 difference between the gross test year expense recorded on the books and the test year expense identified on the actuarial report (please refer to Attachment A for details) as noted below.

FAS 106 Historical Test Year Expense

Per Books	\$ (587,321)	
Per Actuarial Report	\$ (580,735)	<i>Attachment A</i>
Difference	<u>\$ 6,586</u>	

This difference is attributable to:

(1) Med D Subsidy for Settled Retirees	\$ <u>6,586</u>
Total difference from Actuarial Report	\$ 6,586

(1) The Company receives funds in the form of a Med D Subsidy from the federal government for retirees whose postretirement benefit obligation was transferred to a third-party insurance provider in a prior period, also referred to as settled retirees. The amount received is contributed to the trust to pay for future medical benefits for those individuals not included in this group of settled retirees as the calculation of the Company's OPEB liability does not take settled retirees into consideration.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

B. FTY / FPFTY

Please refer to the table below for future test year and fully projected future test year SFAS 106 expense identified on the actuarial report within Attachment B, please note that all numbers are rounded to the thousands of dollars.

(000's)	Future Test		Fully Forecasted	
	Year	Reference	Rate Year	Reference
SFAS 106 Expense				
OPEB Medical Expense		<i>1 month of Col. A, Row 16 + (575) 11 months of Col. B, Row 16</i>		<i>(661) Column C, Row 16</i>
OPEB Life Expense		<i>1 month of Col. A, Row 20 + (146) 11 months of Col. B, Row 20</i>		<i>(160) Column C, Row 20</i>
Total Company OPEB Expense		(721)		(821)

Per the settlement of the Company's rate case at Docket No. R-2012-2321748, there is no amortization of this non-cash negative expense for ratemaking purposes.

COLUMBIA GAS OF PENNSYLVANIA, INC.
Standard Data Request - Revenue Requirement
Gas SDR RR-39 Attachment A

Historic Test Year SFAS #106 Expenses

OPEB Medical Expense Accrual	\$ (456,405)
OPEB Life Expense Accrual	\$ (130,916)
Transitional Obligation Amortization	\$ -
Total CPA Expense level	\$ (587,321)

Historic Test Year Allocated Actuarial Expense

2022-2023 Actuarial report	Medical	Life	Total	
Service Cost	\$ 393,845	\$ 16,641	\$ 410,486	ΣA
Interest Cost on APBO	\$ 1,066,099	\$ 309,790	\$ 1,375,889	ΣB
Return on Assets	\$ (2,183,126)	\$ (463,218)	\$ (2,646,344)	ΣC
Transition Obligation	\$ -	\$ -	\$ -	ΣD
Prior Service Cost	\$ 165,193	\$ -	\$ 165,193	ΣE
Actuarial (Gain) Loss	\$ 108,171	\$ 5,870	\$ 114,041	ΣF
Rounding	\$ -	\$ -	\$ -	
Total Actuarial Expense allocation	\$ (449,818)	\$ (130,916)	\$ (580,735)	ΣG

Historic Test Year Allocation Detail

CPA's allocated portion of Retiree Medical plans (reference pg 2 of 5)

2022 Actuarial report (1 mo)	Total Company	Test Year	CPA's Allocation	
Service Cost	\$ 1,927,815	\$ 160,651	27.46%	\$ 44,114 A
Interest Cost on APBO	\$ 2,392,879	\$ 199,407	24.00%	\$ 47,856 B
Return on Assets	\$ (7,520,527)	\$ (626,711)	31.36%	\$ (196,513) C
Transition Obligation	\$ -	\$ -	0.00%	\$ - D
Prior Service Cost	\$ 476,636	\$ 39,720	30.06%	\$ 11,939 E
Actuarial (Gain) Loss	\$ 212,992	\$ 17,749	-23.72%	\$ (4,210) F
Total	\$ (2,510,205)	\$ (209,184)		\$ (96,815) G

CPA's allocated portion of Retiree Medical plans (reference pg 3 of 5)

2023 Actuarial report (11 mos)	Total Company	Test Year	CPA's Allocation	
Service Cost	\$ 1,400,318	\$ 1,283,625	27.25%	\$ 349,731 A
Interest Cost on APBO	\$ 4,549,626	\$ 4,170,491	24.42%	\$ 1,018,243 B
Return on Assets	\$ (6,918,291)	\$ (6,341,767)	31.33%	\$ (1,986,613) C
Transition Obligation	\$ -	\$ -	0.00%	\$ - D
Prior Service Cost	\$ 517,125	\$ 474,031	32.33%	\$ 153,254 E
Actuarial (Gain) Loss	\$ 741,178	\$ 679,413	16.54%	\$ 112,382 F
Total	\$ 289,956	\$ 265,793		\$ (353,004) G

CPA's allocated portion of Retiree Life Insurance plans (reference pg 4 of 5)

2022 Actuarial report (1 mo)	Total Company	Test Year	CPA's Allocation	
Service Cost	\$ 131,633	\$ 10,969	26.53%	\$ 2,910 A
Interest Cost on APBO	\$ 1,012,154	\$ 84,346	20.99%	\$ 17,708 B
Return on Assets	\$ (2,567,561)	\$ (213,963)	18.53%	\$ (39,640) C
Transition Obligation	\$ -	\$ -	0.00%	\$ - D
Prior Service Cost	\$ -	\$ -	0.00%	\$ - E
Actuarial (Gain) Loss	\$ 282,003	\$ 23,500	24.98%	\$ 5,870 F
Total	\$ (1,141,771)	\$ (95,148)		\$ (13,152) G

CPA's allocated portion of Retiree Life Insurance plans (reference pg 5 of 5)

2023 Actuarial report (11 mos)	Total Company	Test Year	CPA's Allocation	
Service Cost	\$ 62,859	\$ 57,621	23.83%	\$ 13,732 A
Interest Cost on APBO	\$ 1,536,892	\$ 1,408,818	20.73%	\$ 292,082 B
Return on Assets	\$ (2,498,650)	\$ (2,290,429)	18.49%	\$ (423,578) C
Transition Obligation	\$ -	\$ -	0.00%	\$ - D
Prior Service Cost	\$ -	\$ -	0.00%	\$ - E
Actuarial (Gain) Loss	\$ -	\$ -	0.00%	\$ - F
Total	\$ (898,899)	\$ (823,991)		\$ (117,764) G

NiSource, Inc.
2022 ASC 715-60 Expense by Company
Retiree Medical Plans

	<u>Service Cost</u>	<u>Interest Cost</u>	<u>Expected Return on Plan Assets</u>	<u>Amort. Of Transitional Obligation</u>	<u>Amort. Of Prior Service Cost</u>	<u>Recognized Actuarial (gain) loss</u>	<u>Total</u>
Columbia Gas of Pennsylvania	\$ 529,364	\$ 574,275	\$ (2,358,158)	\$ -	\$ 143,269	\$ (50,525)	\$ (1,161,775)
Grand Total	\$ 1,927,815	\$ 2,392,879	\$ (7,520,527)	\$ -	\$ 476,636	\$ 212,992	\$ (2,510,205)

NiSource, Inc.
2023 ASC 715-60 Expense by Company
Retiree Medical Plans

	<u>Service Cost</u>	<u>Interest Cost</u>	<u>Expected Return on Plan Assets</u>	<u>Amort. Of Transitional Obligation</u>	<u>Amort. Of Prior Service Cost</u>	<u>Recognized Actuarial (Gain) Loss</u>	<u>Total</u>
Columbia Gas of Pennsylvania	\$ 381,525	\$ 1,110,810	\$ (2,167,214)	\$ -	\$ 167,186	\$ 122,598	\$ (385,095)
Grand Total	\$ 1,400,318	\$ 4,549,626	\$ (6,918,291)	\$ -	\$ 517,125	\$ 741,178	\$ 289,956

NiSource, Inc.
2022 ASC 715-60 Expense by Company
Retiree Life Plans

	<u>Service Cost</u>	<u>Interest Cost</u>	<u>Expected Return on Plan Assets</u>	<u>Amort. Of Transitional Obligation</u>	<u>Amort. Of Prior Service Cost</u>	<u>Recognized Actuarial (gain) loss</u>	<u>Total</u>
Columbia Gas of Pennsylvania	\$ 34,916	\$ 212,496	\$ (475,678)	\$ -	\$ -	\$ 70,441	\$ (157,825)
Grand Total	\$ 131,633	\$ 1,012,154	\$ (2,567,561)	\$ -	\$ -	\$ 282,003	\$ (1,141,771)

NiSource, Inc.
2023 ASC 715-60 Expense by Company
Retiree Life Plans

	<u>Service Cost</u>	<u>Interest Cost</u>	<u>Expected Return on Plan Assets</u>	<u>Amort. Of Transitional Obligation</u>	<u>Amort. Of Prior Service Cost</u>	<u>Recognized Actuarial (gain) loss</u>	<u>Total</u>
Columbia Gas of Pennsylvania	\$ 14,980	\$ 318,635	\$ (462,085)	\$ -	\$ -	\$ -	\$ (128,470)
Grand Total	\$ 62,859	\$ 1,536,892	\$ (2,498,650)	\$ 0	\$ 0	\$ 0	\$ (898,899)

NiSource Inc. Benefit Plans for the Period 2019 through 2021 (\$000)
Columbia Gas of Pennsylvania

	A	B	C
	2021	2022	2023
1 Cash Estimates by Plan:	<u>Current</u>	<u>Current</u>	<u>Current</u>
2 Medical Active*	7,518	7,928	8,688
3 Medical Retiree	26	25	24
4 Group Life Active	274	282	290
5 Group Life Retiree	-	-	-
6 Total	\$ 7,818	\$ 8,235	\$ 9,002

	2021	2022	2023
13 Expense Estimates by Plan:	<u>Current</u>	<u>Current</u>	<u>Current</u>
14 Medical	6,383	6,653	7,304
15 Active*	7,518	7,928	8,688
16 Retiree	(1,135)	(1,275)	(1,384)
17 Dental	433	441	454
18 Group Life	233	99	95
19 Active	274	282	290
20 Retiree	(41)	(183)	(195)
21 TOTAL	\$ 7,049	\$ 7,193	\$ 7,853

* Includes medical, RX, HSA funding, administrative fees, and PCORI fees.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-040:

Please identify the actual or projected amounts contributed to SFAS No. 106 funds for the historic and future test years. Identify the actual or projected dates and amounts of the contributions.

Response:

Actual and projected SFAS No. 106 contributions to the VEBA trust fund are \$0 for December 2022 – December 2025.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-041

Please explain the funding options or plans which are being used for SFAS No. 106 costs. Identify the portion of the costs which are eligible for tax preferred funding.

Response:

A §401(h) account and Union and Non-Union VEBAs were established in December 1992 for the express purpose of prefunding OPEB health benefits. The employment of these funding vehicles affords some of the most tax efficient means available for prefunding OPEB health benefits. The Company's retiree life insurance plan was funded through a Special Insurance Continuation Account beginning in 1974 and converted during 1992 to a VEBA, separate from the OPEB health VEBAs and §401(h) account.

In January 2014, the VEBAs were restructured to correspond to changes in the OPEB health plans. The pre-65 subaccounts from the medical VEBAs were added to the life insurance VEBAs, and the medical VEBAs became VEBAs only for post-65 assets. This resulted in four VEBAs: Union Life and Medical VEBA, Union Post-65 Retiree Medical VEBA, Nonunion Life and Medical VEBA, and Nonunion Post-65 Retiree Medical VEBA.

Like the NiSource Inc. Master Retirement Trust, the §401(h) account, the Union Life and Medical VEBA, and the Union Post-65 Retiree Medical VEBA are fully tax-advantaged funding vehicles. Tax advantages result from (1) expected future medical inflation or salary growth rates, as applicable, being permitted by the IRC in determining current contribution amounts, (2) employer contributions being tax deductible (subject to statutory limits), and (3) investment earnings permitted to grow tax-free. Contributions made to the §401(h) account are subordinate to those made to the NiSource Inc. Master Retirement Trust and are generally limited to one-third of the annual contribution made to a master retirement trust. Thus, at times the §401(h) may not be able to accept contributions.

The Non-Union VEBAs are less tax efficient. Expected future medical inflation rates are not permitted in determining current contribution amounts and

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

investment earnings are typically subject to tax. Still, it is one of the most tax efficient funding vehicles available today after the §401(h) account and Union VEBA funding alternatives for OPEB health care benefits.

Columbia Gas of Pennsylvania made no deposits into its OPEB trusts for the 2023 tax year except for the redeposit of Part D reimbursements and key employee benefit payments.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-042:

Is the Company studying and/or anticipating any changes to its postretirement benefits offered to employees as a result of SFAS No. 106 or for other reasons? If yes, please provide such study and/or explain the anticipated change.

Response:

The Company is not anticipating any changes to postretirement benefits offered to employees at this time.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-043:

Please state whether the Company has included expenses related to SFAS No. 112 in its test year claim. If so, please provide complete details and include a copy of the actuarial study.

Response:

The company has included \$37,060 of SFAS 112 expenses in its test year claim as noted below.

**SFAS 112 Test Year
Claim**

Accrual	<u>\$ (37,060)</u>
Total Future Year Claim	<u><u>\$ (37,060)</u></u>

Please see GAS RR-43 Attachment A for details (note that employee names have been redacted).

Number: **CL 2023-69**
Date: **11/30/2023**

ASC 712 (FAS-112) Post-Employment Benefits Accrual Adjustment

The accompanying Excel worksheet reflects the ASC 712 (FAS-112) estimated liability, by entity, to be accrued as of November 30, 2023. Please make the necessary adjustments to the accrual in November business. This accrual is adjusted annually and represents the estimated cost of providing medical, dental and life insurance to those individuals on disability up until they are age 65.

In total, the 2023 adjustment resulted in a \$300k decrease to the consolidated liability.

Please use the following accounts for the ASC 712 (FAS 112) liability, and record the offset to the FAS 112 expense account, unless you have specific regulatory treatment:

	<u>PeopleSoft Account</u>	<u>Cost Element</u>
Short-term FAS 112 Liability:	# 24211263	
Long-term FAS 112 Liability:	# 22833000	
SFAS112 Postemployment benefit expense:	# 92600000	9014

If you have any questions regarding the required entries, please contact

NISOURCE INC
 December 31, 2023

ADJUSTMENT TO ASC 712 LIABILITIES

CO #	COMP NAME	From CL 2021-55						PS Acct #		
		Balance as of December 31, 2023			Balance as of December 31, 2022			24211263	22833000	92600000
		Short-term	Long-Term	Total	Short-term	Long-Term	Total	CE #		
								9014		
							ADJUSTMENT			
		Short-term	Long-Term	Total	Short-term	Long-Term	Total	Short-term	Long-Term	Total
37	CPA	120,450	223,966	344,416	117,510	263,967	381,477	(2,940)	40,000	(37,060)
	Total NI	1,099,648	2,542,802	3,642,449	1,154,768	2,831,724	3,986,492	55,120	288,922	(344,043)

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-044:

Please provide all documentation supporting the uncollectible accrual rate reflected in the Company's filing.

Response:

Columbia did not use an uncollectible accrual rate in this filing but instead used an actual uncollectible experienced rate. Data and documentation supporting the development of this 1.44% rate is provided on Exhibit No. 4, Schedule No. 2, Page 26. This reference provides the following:

Total 3 Year Billed Revenue (line 4)	\$1,878,863,740
Total 3 Year Net Write-offs (line 9)	\$27,063,348
Uncollectible Rate (line 9 / line 4)	1.44%

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. GAS-RR-045:

Please provide all work papers and documentation supporting the Company's claimed balance of gas stored underground - current. Include support for the monthly injections and withdrawals and the gas cost rate.

Response:

Please see Exhibit No. 108, Schedule No. 7, Page 1 for the monthly injections and withdrawals and the gas cost rate claimed by the Company.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-046:

Please provide a comparison between actual and budgeted O&M expenses by budget cost element for the historical test year and explain any budget variances of 10 percent or more.

Response:

See GAS-RR-046 Attachment A for budget variance analysis.

Twelve Months Ended November 30, 2023

		Per Books				Explanations >=10%
		Actual	Budget	Variance	Variance %	
1	Labor	38,414,985	36,196,738	2,218,247	6.13%	
2	Incentive Compensation	3,370,857	2,564,558	806,299	31.44%	- Budgeted Expense set at Target while Actual Expense higher due to higher than Target accruals for the 2023 Incentive program.
3	Pension	20,493	-	20,493	0.00%	
4	Pension Deferral Amortization	844,977	844,977	(0)	0.00%	
5	OPEB	(791,873)	(1,760,303)	968,430	-55.01%	- Plan based on actuarial assumptions as of 5/31/2021 vs. 2023 actuals based on actuarial updates as of 1/1/2023
6	Other Employee Benefits	8,036,006	7,895,568	140,438	1.78%	
7	Outside Services	26,218,662	28,968,767	(2,750,105)	-9.49%	
8	Leases	2,254,386	1,789,194	465,192	26.00%	- Actual Expense higher due to higher building leases than planned
9	Corporate Insurance	5,021,575	6,649,668	(1,628,093)	-24.48%	- Actual Expense lower due to capitalization of casualty insurance of \$1.7M
10	Injuries and Damages	349,074	366,368	(17,294)	-4.72%	
11	Employee Expenses	1,094,169	1,194,476	(100,307)	-8.40%	
12	Company Memberships	671,741	504,000	167,741	33.28%	- Actual Expense includes payments to Maryland Coalition for Inclusive Energy, Northeast Gas Association, Pittsburgh Works Together, and Allegheny Conference which were not built into budgeted
13	Utilities and Fuel Used in Company Operations	3,151,834	2,749,563	402,271	14.63%	- Actual Expense higher due to Electric Utility Services. Built into the NCSC budget.
14	Advertising	528,368	865,000	(336,632)	-38.92%	- Actual Expense is lower than budget due to timing of advertising campaigns and lower Public Awareness advertising spend than plan
15	Fleet & Other Clearing	8,439,801	6,547,885	1,891,916	28.89%	- Actual Expense higher due to increased vehicle and lease costs
16	Materials & Supplies	6,675,962	6,179,582	496,380	8.03%	
17	Other O&M	1,097,058	981,992	115,066	11.72%	- Actual Expense higher due to Fees, Licenses, and Permits which were not built into the budget
18	PUC, OCA, OSBA Fees	2,390,935	2,386,816	4,119	0.17%	
19	NCSC Expense	73,587,371	71,282,405	2,304,966	3.23%	
20	NCSC OPEB costs Amortization	52,683	52,675	8	0.02%	
21	Charitable and Civic Contributions	153	-	153	0.00%	
22	Rate Case Expense	-	830,910	(830,910)	-100.00%	- No Actual Expense due to No Rate Case was worked on or filed in 2023
23	Uncollectible Expense	7,131,999	7,385,364	(253,365)	-3.43%	
24	COVID-19 Amortization	742,070	742,071	(0)	0.00%	
24	Total USP Rider	38,891,357	27,783,280	11,108,077	39.98%	- Increased gas costs, higher customer participation, and program costs for Audits & Rebates and Emergency Repair Program
25	Total Operation and Maintenance Expense	228,194,643	213,001,555	15,193,089	7.13%	

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-047:

Please provide the most recent actual number of eligible participants in each of the employee medical and dental plans reflected in the Company's filing.

Response:

All employees are eligible to participate in the employee medical and dental plans. There were 728 Columbia employees at the end of the historic test year.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-048:

Please provide workpapers showing the derivation of future test year Social Security and Medicare FICA taxes based on future test year labor expense. Identify both the total and O&M amounts.

Response:

The future test year and fully projected future test year Social Security and Medicare FICA taxes are derived using an experience factor of FICA Tax expense realized in the historic test year and applied to the labor annualized in the future periods. A work paper for the historic test year Social Security and Medicare FICA taxes is provided as Exhibit No. 6, Schedule No. 2, Page 3. A work paper for the future test year and fully projected future test year for Social Security and Medicare FICA taxes is provided as Exhibit No. 106, Schedule No. 2, Page 3.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-049:

Please provide work papers showing the derivation of future test year federal and state unemployment taxes. Show both the total and O&M amounts.

Response:

The future test year and fully projected future test year federal and state unemployment taxes represent the amount of federal and state unemployment taxes realized in the historic test year. For the historic test year federal and state unemployment taxes realized, see Exhibit No. 6, Schedule No. 2, Page 2, Line 2 and Exhibit No. 106, Schedule No. 2, Page 2, Line 2 for the future test year and fully projected future test year, respectfully.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. GAS-RR-050:

Please provide work papers showing the derivation of future test year capital stock taxes.

Response:

Pennsylvania has eliminated the Capital Stock Tax for all taxpayers effective for years beginning on or after January 1, 2016. Consequently, there were no amounts included in the future test year.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. GAS-RR-051:

If applicable, please provide a copy of the billing and payment terms for all contracts between the Company and its parent or an affiliated company for services. Further, to the extent that the parent or affiliated company provides service to non-affiliated companies, please provide the corresponding billing and payment terms.

Response:

GAS-RR-051 Attachment A is the Service Agreement between the Company and NiSource Corporate Services Company (“NCSC”) dated January 1, 2015, which was approved in Docket No. G-2014-2458547. Per Article 2, Compensation, Section 2.3, NCSC shall make available monthly billing information to the Company that shall reflect all information necessary to identify the costs charged and the Services rendered for that month. The Company has the right to undertake a review of the charges and identify all questions or concerns regarding the charges reflected within a reasonable period of time. The Company shall remit to NCSC all charges billed to it within a period of time not exceeding 30 days of receipt of the monthly billing information. Please also see Exhibit 4, Schedule 11 for additional affiliate agreements.

Service Agreement
BETWEEN
NISOURCE CORPORATE SERVICES COMPANY
AND
COLUMBIA GAS OF PENNSYLVANIA, INC.

Dated January 1, 2015
(To Take Effect Pursuant to Article 3 Hereof)

SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into effective the 1st day of January, 2015 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, each Company and Client is a direct or indirect wholly owned subsidiary of NiSource Inc., a Delaware corporation and a "holding company" as defined in the Public Utility Holding Company Act of 2005 ("Act") that is subject to regulations adopted by the Federal Energy Regulatory Commission ("FERC") pursuant to the Act;

WHEREAS, the 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 the lower of cost or market; 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 Exhibit A, which is filed annually with the FERC. 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.

1.5 The Company routinely makes payments on behalf of affiliates on an ongoing basis, including payroll, employee benefits, corporate insurance, leasing, and external audit fees. Each affiliate receives on a monthly basis a Convenience Bill for its proportional share of the payments made in that respective month. As the name implies, convenience billing is intended as a convenience to vendors because it eliminates the need for a separate invoice to be generated for each affiliate entity receiving the same services. Therefore, the Company makes the payment to the vendor and the charges for the services are recorded directly on the books of the affiliate and not by the Company.

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 reasonably 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 and include compensation for use of capital thereof, fairly and equitably allocated. 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 make available monthly billing information to the Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake a review of the charges and identify all questions or concerns regarding the charges reflected within a reasonable period of time. Client shall remit to the Company all charges billed to it within a period of time not exceeding 30 days of receipt of the monthly billing information.

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, taxes, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and reasonable compensation for use of capital.

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 federal agencies as needed, 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 FERC 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 Upon request of the Client, the Company shall meet with the Client to review and assess the quality, costs, and/or allocations of the services being provided pursuant to this

Service Agreement. The Client shall also have the right to amend the scope of services as it determines 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 FERC’s Uniform System of Accounts (“USofA”) for centralized service companies .

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: Joseph W. Mulpas
Name: Joseph W. Mulpas
Its: Vice President & Chief Accounting Officer

COLUMBIA GAS OF PENNSYLVANIA, INC.

By: Michael A. Huwar
Name: Michael A. Huwar
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, asset 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, payroll services, business applications support, and other 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. The Company will ensure compliance, monitor business risk, and coordinate internal control structure.

3 *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of forecasts, budgets and budgetary controls, and other financial planning activities.

4 *Business Services.* The Company will advise and assist the Clients in the preparation and use of educational and advertising materials; in the development of processes to increase residential, commercial and industrial customers, as well as maintenance of business in those areas; and providing information to customers regarding Clients' products and services.

5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters including corporate secretary services, business continuity planning, shareholder services, corporate records management, proceedings involving regulatory bodies, and other corporate matters.

6 *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 alternative pricing services, 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.

7 *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.

8 *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.

9 *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.

10 *Employee Services.* The Company will advise and assist the Clients in connection with organizational, leadership, and strategic development, employee relations matters, including recruitment, employee placement and retention, 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.

11 *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.

12 *Facility Services.* The Company will manage and effectively execute facility operations, facility maintenance, provide suitable space in its offices for the use of the Clients and their officers and employees, provide delivery services, security services, print services, and other facility services.

13 *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.

14 *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.

15 *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.

16 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

17 *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.

18 *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, including, without limitation, interpretation and advice concerning the regulations or orders of the Securities and Exchange Commission, the Federal Energy Regulatory Commission, the Environmental Protection Agency, and the Pipeline and Hazardous Materials Safety Administration, bankruptcy and collection matters, employment and labor relations investigations, union contracting, Equal Employment Opportunity Commission issues, compliance with state and federal legislative requirements, and all other matters for which Clients require legal services.

19 *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.

20 *Operations Support and Planning Services.* The Company will advise and assist the Clients in connection with operations support and planning, including logistics, scheduling & dispatching; 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 and environmental compliance; pipeline safety and compliance; employee and system safety programs; sustainability; training; management of transportation and sales programs; negotiation of gas purchase and sale contracts; energy marketing and trading, including off-system sales and capacity release activities contemplated in a Client's revenue sharing mechanism; 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.

21 *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.

22 *Regulatory Services.* The Company will advise and assist the Clients in all regulatory and rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings, the preparation and presentation of testimony and exhibits to regulatory authorities, and other regulatory activities.

23 *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.

24 *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.

25 *Treasury Services.* The Company provides services such as risk management, cash management, long and short term financing for all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, and special economic studies as requested.

26 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, , 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 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 that 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 that 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

DIRECT BILLING AND BASES OF ALLOCATION

The Company will bill charges directly to a Client to the extent possible while any remaining costs are then allocated. When it is impractical or inappropriate to charge a Client directly, the Company allocates costs in accordance with the following Bases of Allocation 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. Provided below are the Bases of Allocation for the Company, including a description of each basis and its numerator and denominator.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total 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

- 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 3

NUMBER OF METERS SERVICED

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of meters serviced to the total number of all meters serviced of the benefited affiliates. This allocation may only be used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 4

NUMBER OF ACCOUNTS PAYABLE INVOICES PROCESSED

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of accounts payable invoices processed (interface invoices excluded) to the total number of all accounts payable invoices processed of the benefited affiliates. All companies may be included in this allocation.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total 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

- Charges will be allocated to each benefited affiliate on the basis of the relation 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

- Charges will be allocated to each benefited affiliate on the basis of the relation 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

- 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

- 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

- Charges will be allocated to each benefited affiliate on the basis of fixed percentages on an individual project basis. All companies may be included in this allocation.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- 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, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- 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, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- 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, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- 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, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 20

SERVICE COMPANY BILLING (DIRECT AND ALLOCATED) COSTS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its Service Corporation billing costs, in total or by functional group (e.g. IT, Legal, HR, Finance, Audit), to the corresponding total of all Service Company billing costs, (i.e. in total or by functional group). The calculation of Basis 20 will include only those billings for services provided to all NiSource affiliates, excluding Business Unit specific shared service functions (i.e. functions that serve only one particular Business Unit). All companies may be included in this allocation.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-052:

Please provide the annual level of outside services employed for the preceding three calendar years. Include in your response a breakdown of the test year amount indicating the service provider and the type of service performed.

Response:

Attachments A and B to this response provide details regarding outside service costs incurred for calendar years 2020, 2021 and 2022, as well as the historic test year ended November 2023. Attachment A provides the information of costs charged to Operation and Maintenance expense and Attachment B provides information on costs charged to capital and other accounts.

Cost Element	Line No.	Cost Activity Description	Twelve Months	Twelve Months	Twelve Months	Twelve Months
			Ended December 2020	Ended November 2021	Ended November 2022	Ended November 2023
3003	1	AUDITING SERVICES	584,483.23	770,291.04	458,103.50	680,335.70
3024	2	BENEFITS ADMINISTRATION	489,218.42	541,691.00	665,042.92	609,474.00
5010	3	BUILDING MAINTENANCE	701,551.08	460,172.46	185,640.60	369,807.10
3081	4	CAP ADMINISTRATION COSTS	0.00	0.00	27,781.00	27,781.00
3083	5	CAP EDUCATION	30,543.00	29,167.51	33,481.65	103,801.57
3080	7	CAPITAL PROJ NOT OTHERWISE IDENTIFD	276,326.84	305,622.86	166,443.05	132,324.63
3019	9	COMPRESSOR & OTHER EQUIPMENT REPAIRS	0.00	0.00	0.00	0.00
3004	10	CONSTRUCTION SERVICES	461,708.66	(25,688.02)	43,217.92	332,652.51
3000	11	CONSULTANT SERVICES	552,096.09	1,386,405.30	1,855,528.16	2,282,958.09
3079	13	CONTRACT METER READING	0.00	29,403.00	881.10	0.00
3095	14	CORROSION - CAPITAL	0.00	0.00	0.00	0.00
3096	15	CORROSION - MAINTENANCE	1,067,764.57	318,315.20	373,958.67	489,021.08
3025	16	CREDIT COLLECTIONS	0.00	266,273.45	180,775.27	533.29
3078	19	DELINQUENT COLLECTION FEES	0.00	(2,371.33)	0.00	0.00
3022	21	ELECTRIC GENERATION SERVICES	124,246.48	6,322.44	6,516.00	100,208.38
3006	22	ENGINEERING SERVICES	15,592.25	(101,713.44)	197,274.77	83,202.72
3014	23	ENVIRONMENTL HAZ/SPE WASTE DISPOSAL	16,623.50	12,036.24	18,066.98	56,258.66
3021	24	ENVIRONMENTL HEALTH & SAFETY SERVICES	491,401.94	766,014.48	757,511.05	994,042.57
3028	25	EXPERT WITNESS FEES	0.00	0.00	0.00	0.00
5001	26	FURNITURE & EQUIPMENT MAINTENANCE	0.00	0.00	0.00	0.00
5009	27	HARDWARE MAINTENANCE	52.76	0.00	0.00	0.00
3046	27	HR SERVICES	7,960.99	39,781.92	21,327.42	8,953.17
3088	28	INSPECTION SERVICES	1,257,901.15	1,106,194.53	748,164.37	540,314.51
3047	28	IT SERVICES	2,670.26	1,604.12	1,715.05	1,715.06
3007	29	LABORATORY SERVICES	0.00	0.00	0.00	0.00
3090	30	LEAK REPAIR	718,867.11	821,657.83	1,063,751.00	1,431,632.49
3002	31	LEGAL SERVICES	603,431.44	508,358.40	462,387.73	16,267.00
3089	32	LINE LOCATING	3,340,072.13	3,959,118.23	3,651,933.91	3,158,531.38
5013	33	LIQUIDS & FILTER DOSPOSAL	80,068.53	84,538.49	95,427.49	89,708.95
5014	34	LOT MAINTENANCE	4,078.00	0.00	0.00	0.00
3086	35	MAIN LINE INSTALLATION	128,715.92	2,990.43	14,718.82	46,689.22
3094	36	METERS AND REGULATORS	0.00	11,046.61	0.00	0.00
3037	37	MISCELLANEOUS REIMBURSEMENTS	13,377.25	3,867.45	35,304.38	367,273.07
3017	38	ONE - CALL SYSTEM FEES	500.63	2,818.51	543.90	582.00
3093	39	OPERATIONS MAPPING	0.00	0.00	0.00	17.22
3009	40	OPERATIONS SERVICES	1,233,926.72	431,038.51	490,178.89	888,917.82
5008	41	OTHER MAINTENANCE	(355.03)	(355.03)	0.00	0.00
3016	42	OTHER MAINTENANCE SERVICES	2,017,027.41	3,056,673.62	2,344,580.29	5,018,388.19
3015	43	OTHER OUTSIDESERVICES	803,717.67	829,229.50	299,571.43	262,526.99
3040	44	OUTSOURCING - ACTUAL FIXED COSTS	0.00	0.00	0.00	0.00
3031	45	OUTSOURCING - VARIABLE	0.00	0.00	0.00	0.00
3503	46	PAC/LOBBYING	578,066.72	397,852.94	0.00	6,063.36
3092	47	PAVING RESTORATION	3,701,872.00	5,169,930.39	3,826,574.81	4,783,161.37
3008	51	PRINTING/REPRODUCTION SERVICES	38,992.63	67,177.18	58,186.76	55,179.12
3091	52	RECONNECT SERVICE LINES	766,479.08	2,608,382.41	2,416,739.94	297,197.74
3038	53	REQUEST FOR SERVICE - RFS	0.00	0.00	0.00	0.00
5015	54	RIGHT-OF-WAY CLEAR/MAINTENANCE	975,208.90	1,799,026.22	1,554,439.37	2,450,551.95
3033	55	SALES TAX	0.00	0.00	0.00	0.00
3012	56	SECURITY SERVICES	26,906.84	12,911.75	15,705.80	18,824.22
3098	57	SEED AND SOD	0.00	0.00	0.00	0.00
3087	58	SERVICE LINE INSTALLATIONS	23,759.44	55,291.08	60,927.03	33,923.03
3029	59	SERVICES TRANSFERRED	0.00	0.00	0.00	0.00
5004	60	SOFTWARE MAINTENANCE	0.00	0.00	0.00	0.00
3097	61	TELECOMMUNICATION CAPITAL INSTALLATIONS	0.00	0.00	0.00	0.00
3011	62	TEMPORARY PERSONNEL SERVICES	548,116.75	208,463.76	78,475.83	50,251.97
3099	65	WMS ACCRUALS	(230,588.71)	(37,073.33)	(17,979.72)	429,590.89
3067	66	WMS PULL BACK CAMERA SERVICES	0.00	0.00	914.26	0.00
	67	Total	21,452,382.65	25,902,467.71	22,193,811.40	26,218,662.02

Cost Element	Line No.	Cost Activity Description	Twelve Months	Twelve Months	Twelve Months	Twelve Months
			Ended December 2020	Ended November 2021	Ended November 2022	Ended November 2023
3003	1	AUDITING SERVICES	(584,483.23)	(768,131.04)	(458,103.50)	(682,495.70)
3024	2	BENEFITS ADMINISTRATION	(489,218.42)	(541,691.00)	(665,042.92)	(609,474.00)
5010	3	BUILDING MAINTENANCE	479,117.21	828,394.04	433,862.64	172,618.18
3081	4	CAP ADMINISTRATION COSTS	536,147.65	676,362.69	222,671.30	119,879.80
3083	5	CAP EDUCATION	0.00	0.00	0.00	0.00
3082	6	CAP INITIAL APPLICATION	179,322.00	31,365.00	595,162.00	630,308.00
3080	7	CAPITAL PROJ NOT OTHERWISE IDENTIFD	5,912,176.19	8,417,975.77	7,604,496.95	9,251,598.48
3019	8	COMPRESSOR & OTHER EQUIPMENT REPAIRS	(0.00)	0.00	0.00	0.00
3004	9	CONSTRUCTION SERVICES	6,310,747.65	7,655,679.94	6,876,783.33	6,718,431.71
3000	10	CONSULTANT SERVICES	3,196,633.04	473,957.95	(67,944.45)	639,912.90
5005	11	CONTRACT MAINTENANCE	0.00	0.00	0.00	0.00
3079	12	CONTRACT METER READING	0.00	0.00	0.00	0.00
3005	13	CONTRACT RETAINAGES	0.00	0.00	0.00	0.00
3095	14	CORROSION - CAPITAL	59,081.55	104,441.70	61,306.36	36,643.04
3096	15	CORROSION - MAINTENANCE	0.00	0.00	0.00	135,657.17
3025	16	CREDIT COLLECTIONS	0.00	0.00	0.00	0.00
3076	17	CURRENT COLLECTION FEES	0.00	0.00	0.00	0.00
3022	18	ELECTRIC GENERATION SERVICES	292,094.88	172,121.11	69,027.14	16,033.39
3006	19	ENGINEERING SERVICES	805,799.42	1,538,719.63	2,000,911.38	3,861,941.28
3014	20	ENVIRONMENTL HAZ/SPE WASTE DISPOSAL	(1,532.60)	15,765.29	4,287.64	2,815.07
3021	21	ENVIRONMENTL HEALTH & SAFETY SERVICES	3,089,534.72	1,516,367.00	3,256,710.47	(1,301,137.48)
3028	22	EXPERT WITNESS FEES	0.00	0.00	0.00	0.00
5001	23	FURNITURE & EQUIPMENT MAINTENANCE	0.00	0.00	0.00	0.00
5009	24	HARDWARE MAINTENANCE	0.00	0.00	0.00	0.00
3046	25	HR SERVICES	(2,782.79)	(28,746.52)	(30,121.82)	(11,453.17)
3088	26	INSPECTION SERVICES	875.09	64,470.52	12,420.26	3,550.84
3047	27	IT SERVICES	(2,670.26)	(1,604.12)	(1,715.06)	(1,715.06)
3007	28	LABORATORY SERVICES	0.00	0.00	0.00	0.00
3090	29	LEAK REPAIR	54,788.46	59,656.83	158,743.42	156,718.74
3002	30	LEGAL SERVICES	(574,018.44)	(508,358.40)	(462,387.73)	(6,216.00)
3089	31	LINE LOCATING	149,298.07	90,664.65	52,326.74	142,907.13
5013	32	LIQUIDS & FILTER DOSPOSAL	691.74	3,146.97	(4,737.67)	0.00
5014	33	LOT MAINTENANCE	0.00	0.00	0.00	0.00
3086	34	MAIN LINE INSTALLATION	95,661,076.33	97,623,867.76	115,291,934.95	127,646,094.88
3094	35	METERS AND REGULATORS	6,387,832.57	5,806,362.35	4,779,690.90	4,900,145.52
3037	36	MISCELLANEOUS REIMBURSEMENTS	627,648.30	728,018.74	857,019.40	732,665.63
3017	37	ONE - CALL SYSTEM FEES	0.00	0.00	0.00	0.00
3093	38	OPERATIONS MAPPING	1,324,552.70	1,526,035.58	2,026,875.13	1,507,630.98
3009	39	OPERATIONS SERVICES	527,883.10	797,834.93	74,703.85	101,860.39
5008	40	OTHER MAINTENANCE	355.03	355.03	0.00	0.00
3016	41	OTHER MAINTENANCE SERVICES	8,106.75	7,958.49	58,620.26	267,915.62
3015	42	OTHER OUTSIDESERVICES	(2,080,910.83)	(2,165,479.13)	(2,474,276.31)	(891,896.02)
3040	43	OUTSOURCING - ACTUAL FIXED COSTS	0.00	0.00	0.00	0.00
3031	44	OUTSOURCING - VARIABLE	0.00	0.00	0.00	0.00
3503	45	PAC/LOBBYING	37,623.28	24,070.59	22,707.94	26,305.41
3092	46	PAVING RESTORATION	53,717,487.76	65,212,908.23	66,768,861.30	85,533,081.47
3018	47	PERSONNEL & CARGO TRANSPORTATION	0.00	0.00	0.00	0.00
5007	48	PLANT MAINTENANCE	0.00	0.00	0.00	0.00
3026	49	POLICE	15,035.00	0.00	0.00	0.00
3008	50	PRINTING/REPRODUCTION SERVICES	105.62	19,190.90	(8,622.22)	5,843.88
3010	51	REAL ESTATE MANAGEMENT	150,400.00	60,000.00	28,440.37	0.00
3091	52	RECONNECT SERVICE LINES	2,272,010.04	1,474,140.37	1,407,497.79	2,339,627.65
3038	53	REQUEST FOR SERVICE - RFS	0.00	0.00	0.00	0.00
5015	54	RIGHT-OF-WAY CLEAR/MAINTENANCE	0.00	0.00	0.00	0.00
3033	55	SALES TAX	0.00	0.00	0.00	0.00
3012	56	SECURITY SERVICES	1,186,018.88	1,049,415.20	936,775.33	401,400.34
3098	57	SEED AND SOD	0.00	0.00	0.00	0.00
3087	58	SERVICE LINE INSTALLATIONS	44,810,270.37	43,957,655.85	45,448,735.02	45,608,019.19
3029	59	SERVICES TRANSFERRED	0.00	0.00	0.00	0.00
5003	60	Aircraft Maintenance	0.00	0.00	3,850.71	0.00
5004	61	SOFTWARE MAINTENANCE	116,753.50	0.00	9,470.41	0.00
3035	62	SUPPLEMENTAL CONTRACT COSTS	0.00	0.00	0.00	0.00
3097	63	TELECOMMUNICATION CAPITAL INSTALLATIONS	197,336.89	23,381.31	461,558.03	176,451.34
3011	64	TEMPORARY PERSONNEL SERVICES	(353,562.19)	(121,786.91)	(28,178.39)	4,165,086.19
3084	65	WEATHERIZATION/RCS EXPENSES	3,008,098.01	3,793,966.64	6,644,356.70	7,874,244.24
3099	66	WMS ACCRUALS	95,356.96	14,294.99	(59,386.75)	195,481.44
3067	67	WMS PULL BACK CAMERA SERVICES	0.00	0.00	32,102.70	0.00
68		Total	227,121,080.00	239,632,748.93	261,941,393.61	299,866,482.47

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-053:

Please describe each budgeted or planned cost savings program to be implemented during the historic or future year. Please identify the cost of implementing the program and the anticipated annual savings.

Response:

At the time of this writing, NiSource, Inc. has publicly committed to flat O&M for the next several years. The intent is to ensure customer affordability via a focused effort on becoming more efficient and effective with every O&M dollar spent. The initiative is a call to all employees and departments to contribute and generate ideas; thus specific savings programs/initiatives are unknown at this time.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-054:

Please explain how the Company has treated reserve accruals and balances for ratemaking purposes and provide the requested level of any self-funded reserve accruals by type of item.

Response:

The Company has not made any rate making adjustments based on self-funded reserve accruals.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Revenue Requirements

Question No. RR-055:

Please provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation work papers for the Company's consolidated tax savings adjustment.

Response:

Attached are copies of the corporate federal tax returns for 2020 (GAS-RR-055 Attachment A), 2021 (GAS-RR-055 Attachment B) and 2022 (GAS-RR-055 Attachment C). In 2016, Act 40 was passed which eliminated the consolidated tax savings adjustment. Act 40 was codified as Section 1301.1 of the Public Utility Code requiring that a utility's tax expense for regulatory purposes is calculated on a stand-alone basis and is not subsidized by its affiliates. Accordingly, the Company computes tax expense on a stand-alone basis. Workpapers relating to the requirements under Section 1301.1 are included in the Standard Filing Requirements as Exhibit No. 7, Pages 19 – 20.

1120

Form Department of the Treasury Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2020 or tax year beginning _____, _____, ending _____, 20

2020

Go to www.irs.gov/Form1120 for instructions and the latest information.

A Check if:

- 1a Consolidated return (attach Form 851)
b Life/nonlife consolidated return
2 Personal holding co. (attach Sch. PH)
3 Personal service corp. (see instructions)
4 Schedule M-3 attached

Name, Number, street, and room or suite no. If a P.O. box, see instructions. City or town, state or province, country, and ZIP or foreign postal code. Columbia Gas of Pennsylvania, Inc. 290 W. Nationwide Blvd. Columbus OH 43215 Franklin

B Employer identification number

25-1100252
C Date incorporated 06 23 1960
D Total assets (see instructions) \$ 3,093,945,681

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income

Deductions

Payments

Table with 3 columns: Line number, Description, Amount. Includes lines 1a-11 (Income), 12-27 (Deductions), 28-37 (Payments).

Sign Here

Declaration of preparer and officer. Signature of officer Sandra Brummitt, Date, Title VP & Chief Tax Officer. May the IRS discuss this return with the preparer shown below? Yes No

Paid Preparer Use Only

Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no.

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0	50	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	65	0
3	Dividends on certain debt-financed stock of domestic and foreign corporations	0	See instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	23.3	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	26.7	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	50	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	65	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Subtotal. Add lines 1 through 8. See instructions for limitations	0	See instructions	0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	0	100	0
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)	0		
15	Section 965(a) inclusion	0	See instructions	0
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	0	100	0
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	0		
c	Other inclusions from CFCs under subpart F not included on line 15, 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)	0		
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)	0		
18	Gross-up for foreign taxes deemed paid	0		
19	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
20	Other dividends	0		
21	Deduction for dividends paid on certain preferred stock of public utilities			0
22	Section 250 deduction (attach Form 8993)			0
23	Total dividends and inclusions. Add lines 9 through 20. Enter here and on page 1, line 4	0		
24	Total special deductions. Add lines 9 through 22, column (c). Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst.	<input checked="" type="checkbox"/>		
2	Income tax. See instructions		2	0
3	Base erosion minimum tax (attach Form 8991)		3	0
4	Add lines 2 and 3		4	0
5a	Foreign tax credit (attach Form 1118)	5a	0	
b	Credit from Form 8834 (see instructions)	5b	0	
c	General business credit (attach Form 3800)	5c	0	
d	Credit for prior year minimum tax (attach Form 8827)	5d	0	
e	Bond credits from Form 8912	5e	0	
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	0
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0	
b	Recapture of low-income housing credit (attach Form 8611)	9b	0	
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c	0	
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d	0	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0	
f	Interest/tax due under Section 453A(c) and/or Section 453(l)	9f	0	
g	Other (see instructions-- attach statement)	9g	0	
10	Total. Add lines 9a through 9g		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	0

Part II - Section 965 Payments (see instructions)

12	2020 net 965 tax liability paid from Form 965-B, Part II, column (k), line 4. Enter here and on page 1, line 32	12	0
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Part III - Payments, Refundable Credits, and Section 965 Net Tax Liability

13	2019 overpayment credited to 2020	13	0
14	2020 estimated tax payments	14	0
15	2020 refund applied for on Form 4466	15	(0)
16	Combine lines 13, 14, and 15	16	0
17	Tax deposited with Form 7004	17	0
18	Withholding (see instructions)	18	0
19	Total payments. Add lines 16, 17, and 18	19	0
20	Refundable credits from:		
a	Form 2439	20a	0
b	Form 4136	20b	11,879
c	Reserved for future use	20c	
d	Other (attach statement-- see instructions)	20d	0
21	Total credits. Add lines 20a through 20d	21	11,879
22	2020 net 965 tax liability from Form 965-B, Part I, column (d), line 4. See instructions	22	0
23	Total payments, credits, and section 965 net tax liability. Add lines 19, 21, and 22. Enter here and on page 1, line 33	23	11,879

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 221210		
b	Business activity ▶ NATURAL GAS DISTRIBTUION		
c	Product or service ▶ NATURAL GAS DISTRIBUTION		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ 35-2108946 NiSource Inc	X	
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
			0.000
			0.000
			0.000

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

	X
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(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
			0.000
			0.000
			0.000

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316.
If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions. See the instructions for Form 5452.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

	X
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7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:
(a) Percentage owned ▶ .000 and (b) Owner's country ▶
(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶

	X
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8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) ▶
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) ▶ \$ 165,724,170

Schedule K Other Information (continued from page 4)

		Yes	No
13	Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
	If "Yes," the corporation is not required to complete Schedules L, M- 1, and M- 2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶\$ 0		
14	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		X
	If "Yes," complete and attach Schedule UTP.		
15a	Did the corporation make any payments in 2020 that would require it to file Form(s) 1099?	X	
b	If "Yes," did or will the corporation file all required Form(s) 1099?	X	
16	During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?		X
17	During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non- taxable, or tax deferred transaction?		X
18	Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19	During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042- S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20	Is the corporation operating on a cooperative basis?		X
21	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		X
	If "Yes," enter the total amount of the disallowed deductions ▶\$ 0		
22	Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))	X	
	If "Yes," complete and attach Form 8991.		
23	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24	Does the corporation satisfy one or more of the following? See instructions	X	
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense.		
	If "Yes," complete and attach Form 8990.		
25	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
	If "Yes," enter amount from Form 8996, line 15 ▶\$ 0		
26	Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties held directly or indirectly by the corporation, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the shareholders held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions		X
	Percentage: By Vote 0.0000 By Value 0.0000		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		2,101,755		1,849,374
2a	Trade notes and accounts receivable	43,010,055		111,116,334	
b	Less allowance for bad debts	(1,654,021)	41,356,034	(10,465,280)	100,651,054
3	Inventories		49,242,396		35,746,143
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 4	18,520,434	STATEMENT 9	14,372,999
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)	STATEMENT 5	20,283,228	STATEMENT 10	20,283,228
10a	Buildings and other depreciable assets	2,710,145,454		2,991,414,358	
b	Less accumulated depreciation	(475,282,448)	2,234,863,006	(517,362,012)	2,474,052,346
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		6,684,201		6,936,586
13a	Intangible assets (amortizable only)	35,859,244		40,548,636	
b	Less accumulated amortization	(15,796,072)	20,063,172	(19,762,171)	20,786,465
14	Other assets (attach statement)	STATEMENT 6	453,875,695	STATEMENT 11	419,267,486
15	Total assets		2,846,989,921		3,093,945,681
Liabilities and Shareholders' Equity					
16	Accounts payable		46,517,291		44,013,088
17	Mortgages, notes, bonds payable in less than 1 year		-100,000,000		20,000,000
18	Other current liabilities (attach statement)	STATEMENT 7	256,677,265	STATEMENT 12	291,451,805
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		885,515,000		875,515,000
21	Other liabilities (attach statement)	STATEMENT 8	780,396,976	STATEMENT 13	742,828,779
22	Capital stock:				
	a Preferred stock	0		0	
	b Common stock	45,127,800	45,127,800	45,127,800	45,127,800
23	Additional paid-in capital		52,889,827		107,889,827
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		879,865,762		967,119,382
26	Adjustments to shareholders' equity (attach statement)		0		0
27	Less cost of treasury stock		(0)		(0)
28	Total liabilities and shareholders' equity		2,846,989,921		3,093,945,681

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
6	Add lines 1 through 5	0	9	Add lines 7 and 8	0
			10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)

1	Balance at beginning of year	879,865,762	5	Distributions:	
2	Net income (loss) per books	87,253,620		a Cash	0
3	Other increases (itemize):			b Stock	0
				c Property	0
			6	Other decreases (itemize):	0
			7	Add lines 5 and 6	0
4	Add lines 1, 2, and 3	967,119,382	8	Balance at end of year (line 4 less line 7)	967,119,382

Form **1125-A**
(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-0123

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name		Employer identification number
Columbia Gas of Pennsylvania, Inc.		25-1100252
1	Inventory at beginning of year	49,242,396
2	Purchases	120,492,689
3	Cost of labor	0
4	Additional section 263A costs (attach schedule) STATEMENT 14	977,474
5	Other costs (attach schedule) STATEMENT 15	-4,460,926
6	Total. Add lines 1 through 5	166,251,633
7	Inventory at end of year	35,746,143
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	130,505,490

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

- b** Check if there was a writedown of subnormal goods ▶
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 11-2018)

ERF

Credit for Federal Tax Paid on Fuels

OMB No. 1545-0162

2020

Attachment
Sequence No. **23**

▶ Go to www.irs.gov/Form4136 for instructions and the latest information.

Name (as shown on your income tax return) Columbia Gas of Pennsylvania, Inc.	Taxpayer identification number 25-1100252
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Caution: Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 or 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 or 14), claimant certifies that a certificate has not been provided to the credit card issuer. See instructions for kerosene used in commercial aviation from March 28, 2020, through December 31, 2020.

1 Nontaxable Use of Gasoline

Note: CRN is credit reference number.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	\$.183	0	\$ 0	362
b	Use on a farm for farming purposes	.183	0		
c	Other nontaxable use (see Caution above line 1)	.183	0		
d	Exported	.184	0	0	411

2 Nontaxable Use of Aviation Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$.15	0	\$ 0	354
b	Other nontaxable use (see Caution above line 1)	.193	0	0	324
c	Exported	.194	0	0	412
d	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

3 Nontaxable Use of Undyed Diesel Fuel

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	02	48,885	\$ 11,879	360
b	Use on a farm for farming purposes	.243	0		
c	Use in trains	.243	0		
d	Use in certain intercity and local buses (see Caution above line 1)	.17	0	0	350
e	Exported	.244	0	0	413

4 Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	\$.243	0	\$ 0	346
b	Use on a farm for farming purposes	.243	0		
c	Use in certain intercity and local buses (see Caution above line 1)	.17	0		
d	Exported	.244	0	0	414
e	Nontaxable use taxed at \$.044	.043	0	0	377
f	Nontaxable use taxed at \$.219	.218	0	0	369

For Paperwork Reduction Act Notice, see the separate instructions.

Form **4136** (2020)

ERF

5 Kerosene Used in Aviation (see **Caution** above line 1)

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200	0	\$ 0	417
b	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219	.175	0	0	355
c	Nontaxable use (other than use by state or local government) taxed at \$.244	.243	0	0	346
d	Nontaxable use (other than use by state or local government) taxed at \$.219	.218	0	0	369
e	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel

Registration No. ►

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
a	Use by a state or local government	\$.243	0	\$ 0	360
b	Use in certain intercity and local buses	.17	0	0	350

7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene For Use in Aviation)

Registration No. ►

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
a	Use by a state or local government	\$.243	0	\$ 0	346
b	Sales from a blocked pump	.243	0		
c	Use in certain intercity and local buses	.17	0		

8 Sales by Registered Ultimate Vendors of Kerosene For Use in Aviation
(see **Caution** above line 1)

Registration No. ►

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) taxed at \$.219	\$.175	0	\$ 0	355
b	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200	0	0	417
c	Nonexempt use in noncommercial aviation	.025	0	0	418
d	Other nontaxable uses taxed at \$.244	.243	0	0	346
e	Other nontaxable uses taxed at \$.219	.218	0	0	369
f	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

9 Reserved for future use

Registration No. ►

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
a Reserved for future use			\$	
b Reserved for future use				

10 Biodiesel or Renewable Diesel Mixture Credit

Registration No. ►

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 10. See the instructions for line 10 for information about renewable diesel used in aviation.

	(b) Rate	(c) Gallons of biodiesel or renewable diesel	(d) Amount of credit	(e) CRN
a Biodiesel (other than agri-biodiesel) mixtures	\$1.00	0	\$ 0	388
b Agri-biodiesel mixtures	1.00	0	0	390
c Renewable Diesel mixtures	1.00	0	0	307

11 Nontaxable Use of Alternative Fuel

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5) (see instructions).

	(a) Type of use	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)		\$.183	0	\$ 0	419
b "P Series" fuels		.183	0	0	420
c Compressed natural gas (CNG) (see instructions)		.183	0	0	421
d Liquefied hydrogen		.183	0	0	422
e Fischer-Tropsch process liquid fuel from coal (including peat)		.243	0	0	423
f Liquid fuel derived from biomass		.243	0	0	424
g Liquefied natural gas (LNG) (see instructions)		.243	0	0	425
h Liquefied gas derived from biomass		.183	0	0	435

12 Alternative Fuel Credit

Registration No. ►

	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)	\$.50	0	\$ 0	426
b "P Series" fuels	.50	0	0	427
c Compressed natural gas (CNG) (see instructions)	.50	0	0	428
d Liquefied hydrogen	.50	0	0	429
e Fischer-Tropsch process liquid fuel from coal (including peat)	.50	0	0	430
f Liquid fuel derived from biomass	.50	0	0	431
g Liquefied natural gas (LNG) (see instructions)	.50	0	0	432
h Liquefied gas derived from biomass	.50	0	0	436
i Compressed gas derived from biomass	.50	0	0	437

13 Registered Credit Card Issuers

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Diesel fuel sold for the exclusive use of a state or local government	\$.243	0	\$ 0	360
b Kerosene sold for the exclusive use of a state or local government	.243	0	0	346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219	.218	0	0	369

14 Nontaxable Use of a Diesel-Water Fuel Emulsion

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5) (see instructions).

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use		\$.197	0	\$ 0	309
b Exported		.198	0	0	306

15 Diesel-Water Fuel Emulsion Blending

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$.046	0	\$ 0	310

16 Exported Dyed Fuels and Exported Gasoline Blendstocks

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Exported dyed diesel fuel and exported gasoline blendstocks taxed at \$.001	\$.001	0	\$ 0	415
b Exported dyed kerosene	.001	0	0	416

17 Total income tax credit claimed. Add lines 1 through 16, column (d). Enter here and on Schedule 3 (Form 1040), line 11; Form 1120, Schedule J, line 20b; Form 1120S, line 23c; Form 1041, Schedule G, line 16b; or the proper line of other returns. ►	17	\$	11,879	
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Form **4136** (2020)

SCHEDULE M-3
(Form 1120)

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

▶ **Attach to Form 1120 or 1120-C.**

▶ **Go to www.irs.gov/Form1120 for instructions and the latest information.**

OMB No. 1545-0123

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
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- Check applicable box(es):
- (1) Non-consolidated return
- (2) Consolidated return (Form 1120 only)
- (3) Mixed 1120/L/PC group
- (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning _____ Ending _____
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	0
b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(0)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	0
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).	11	0

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	0	0
b Removed on Part I, line 5	0	0
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	0

Schedule M-3 (Form 1120) (Rev. 12-2019)

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	0	0	0
3 Subpart F, QEF, and similar income inclusions		0	0	0
4 Gross-up for foreign taxes deemed paid		0	0	0
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	
7 U.S. dividends not eliminated in tax consolidation	0	0	0	0
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	0	0	0	0
10 Income (loss) from foreign partnerships	0	0	0	0
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	985,911	0	-878,764	107,147
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(133,990,484)	3,484,994	0	(130,505,490)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		0	0	0
20 Unearned/deferred revenue	0	0	0	0
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	41,863	-41,863	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		0	0	0
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		0	0	0
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-10,294,201	0	-10,294,201
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	-150,250	1,078,010	0	927,760 STMT 16
26 Total income (loss) items. Combine lines 1 through 25	-133,112,960	-5,773,060	-878,764	-139,764,784
27 Total expense/deduction items (from Part III, line 39)	-263,384,865	-49,371,773	21,384,652	-291,371,986
28 Other items with no differences STATEMENT 17	483,751,445			483,751,445
29a Mixed groups, see instructions. All others, combine lines 26 through 28	87,253,620	-55,144,833	20,505,888	52,614,675
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	87,253,620	-55,144,833	20,505,888	52,614,675

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return- Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	10,726,054	0	-10,726,054	
2 U.S. deferred income tax expense	8,796,188	0	-8,796,188	
3 State and local current income tax expense	2,374,709	0	0	2,374,709
4 State and local deferred income tax expense	760,110	0	-760,110	
5 Foreign current income tax expense (other than foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	0	0
8 Interest expense (see instructions)	42,951,538	-291,948	0	42,659,590
9 Stock option expense	0	0	0	0
10 Other equity-based compensation	1,651,844	-250,876	0	1,400,968
11 Meals and entertainment	378,685	0	-232,142	146,543
12 Fines and penalties	562,272	0	-562,272	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	0	0
16 Pension and profit-sharing	11,807,070	318,531	0	12,125,601
17 Other post-retirement benefits	-327,020	327,020	0	0
18 Deferred compensation	0	0	0	0
19 Charitable contribution of cash and tangible property	25,442	0	0	25,442
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction (See instr.)		0	0	0
23 Current year acquisition or reorganization investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	0	0	0
27 Amortization of acquisition, reorganization, and start-up costs	0	0	0	0
28 Other amortization or impairment write-offs	0	0	0	0
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	80,118,751	-11,782,426	0	68,336,325
32 Bad debt expense	23,484,843	-8,811,259	0	14,673,584
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Section 162(r)- FDIC premiums paid by certain large financial institutions (see instructions)	0	0	0	0
38 Other expense/deduction items with differences (attach statement) STATEMENT 18	80,074,379	69,862,731	-307,886	149,629,224
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	263,384,865	49,371,773	-21,384,652	291,371,986

Depreciation and Amortization (Including Information on Listed Property)

▶ **Attach to your tax return.**
▶ **Go to www.irs.gov/Form4562 for instructions and the latest information.**

2020
Attachment
Sequence No. **179**

Name(s) shown on return Columbia Gas of Pennsylvania, Inc.	Business or activity to which this form relates NATURAL GAS DISTRIBUTUION	Identifying number 25-1100252
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,040,000
2	Total cost of section 179 property placed in service (see instructions)	2	0
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,590,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	1,040,000
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
		0	0
		0	0
7	Listed property. Enter the amount from line 29	7	0
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10	Carryover of disallowed deduction from line 13 of your 2019 Form 4562	10	0
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	1,040,000
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	0
13	Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12	13	0

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	0
15	Property subject to section 168(f)(1) election	15	0
16	Other depreciation (including ACRS)	16	3,511,717

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2020	17	55,558,754
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3- year property	0	3.0	HY	200 DB	0
b	5- year property	190,679	5.0	HY	200 DB	38,136
c	7- year property	0	7.0	HY	200 DB	0
d	10- year property	0	10.0	HY		0
e	15- year property	0	0.0			0
f	20- year property	245,983,563	20.0	HY	150 DB	9,224,384
g	25- year property	0	25 yrs.		S/L	0
h	Residential rental property	0	27.5 yrs.	MM	S/L	0
		0	27.5 yrs.	MM	S/L	0
i	Nonresidential real property	254,277	39 yrs.	MM	S/L	3,334
		0	0.0	MM	S/L	0

Section C - Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System

20a	Class life	0	0.0		S/L	0
b	12- year	0	12 yrs.		S/L	0
c	30- year	0	30 yrs.	MM	S/L	0
d	40- year	0	40 yrs.	MM	S/L	0

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	0
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	68,336,325
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	844,795

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? 24b If "Yes," is the evidence written? 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions. 26 Property used more than 50% in a qualified business use: 27 Property used 50% or less in a qualified business use: 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (don't include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven 33 Total miles driven during the year. Add lines 30 through 32 34 Was the vehicle available for personal use during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? 36 Is another vehicle available for personal use?

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions. Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year 42 Amortization of costs that begins during your 2020 tax year (see instructions): 43 Amortization of costs that began before your 2020 tax year 44 Total. Add amounts in column (f). See the instructions for where to report

Form **4797**
Department of the Treasury
Internal Revenue Service

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

OMB No. 1545-0184

2020

Attachment
Sequence No. 27

▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

Name(s) shown on return Columbia Gas of Pennsylvania, Inc.	Identifying number 25-1100252
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1 Enter the gross proceeds from sales or exchanges reported to you for 2020 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions **1** 0

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft-Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
				0	0	0	0
				0	0	0	0
				0	0	0	0
				0	0	0	0

3 Gain, if any, from Form 4684, line 39 **3** 0
 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4** 0
 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5** 0
 6 Gain, if any, from line 32, from other than casualty or theft **6** 0
 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: **7** 0

Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years. See instructions **8** 0
 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions **9** 0

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Trader--see attached	STMT	9	VARIOUS	VARIOUS	0	12,194,213	22,488,414	-10,294,201
					0	0	0	0
					0	0	0	0
					0	0	0	0

11 Loss, if any, from line 7 **11** (0)
 12 Gain, if any, from line 7 or amount from line 8, if applicable **12** 0
 13 Gain, if any, from line 31 **13** 0
 14 Net gain or (loss) from Form 4684, lines 31 and 38a **14** 0
 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15** 0
 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16** 0
 17 Combine lines 10 through 16 **17** -10,294,201

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.
 a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions **18a**
 b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4 **18b**

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2020)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A					
B					
C					
D					
These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	0	0	0	0
21	Cost or other basis plus expense of sale	0	0	0	0
22	Depreciation (or depletion) allowed or allowable	0	0	0	0
23	Adjusted basis. Subtract line 22 from line 21	0	0	0	0
24	Total gain. Subtract line 23 from line 20	0	0	0	0
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	0	0	0	0
b	Enter the smaller of line 24 or 25a	0	0	0	0
26 If section 1250 property: If straight line depreciation was used, enter - 0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975. See instructions	0	0	0	0
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions	0	0	0	0
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	0	0	0	0
d	Additional depreciation after 1969 and before 1976	0	0	0	0
e	Enter the smaller of line 26c or 26d	0	0	0	0
f	Section 291 amount (corporations only)	0	0	0	0
g	Add lines 26b, 26e, and 26f	0	0	0	0
27 If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a	Soil, water, and land clearing expenses	0	0	0	0
b	Line 27a multiplied by applicable percentage. See instructions	0	0	0	0
c	Enter the smaller of line 24 or 27b	0	0	0	0
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	0	0	0	0
b	Enter the smaller of line 24 or 28a	0	0	0	0
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126. See instructions	0	0	0	0
b	Enter the smaller of line 24 or 29a. See instructions.	0	0	0	0

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	0
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	0
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6.	32	0

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less

(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	0
34 Recomputed depreciation. See instructions	34	0
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	0

Supplemental Attachment to Schedule M-3

Form **8916-A**

(Rev. November 2019)

Department of the Treasury
Internal Revenue Service

▶ **Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.**

▶ **Go to www.irs.gov/Form1120 for the latest information.**

OMB No. 1545-0123

Name of common parent Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Name of subsidiary	Employer identification number

Part I Cost of Goods Sold				
Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions	0	4,460,926	0	4,460,926
2 Amounts attributable to:				
a Stock option expense	0	0	0	0
b Other equity-based compensation	0	0	0	0
c Meals and entertainment	0	0	0	0
d Parachute payments	0	0	0	0
e Compensation with section 162(m) limitation	0	0	0	0
f Pension and profit sharing	0	0	0	0
g Other post-retirement benefits	0	0	0	0
h Deferred compensation	0	0	0	0
i Reserved				
j Amortization	0	0	0	0
k Depletion	0	0	0	0
l Depreciation	0	0	0	0
m Corporate-owned life insurance premiums	0	0	0	0
n Other section 263A costs	0	-977,474	0	-977,474
3 Inventory shrinkage accruals	0	0	0	0
4 Excess inventory and obsolescence reserves	0	0	0	0
5 Lower of cost or market write-downs	0	0	0	0
6 Other items with differences (attach statement) <small>STMT 20</small>	-1,542	1,542	0	0
7 Other items with no differences	-133,988,942			-133,988,942
8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions	-133,990,484	3,484,994	0	-130,505,490

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income	0	0	0	
2	Interest income from hybrid securities	0	0	0	0
3	Sale/lease interest income	0	0	0	0
4a	Intercompany interest income - From outside tax affiliated group	0	0	0	0
4b	Intercompany interest income - From tax affiliated group	107,147	0	0	107,147
5	Other interest income	878,764	0	-878,764	0
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	985,911	0	-878,764	107,147

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities	0	0	0	0
2	Lease/purchase interest expense	0	0	0	0
3a	Intercompany interest expense - Paid to outside tax affiliated group	0	0	0	0
3b	Intercompany interest expense - Paid to tax affiliated group	42,074,705	0	0	42,074,705
4	Other interest expense	876,833	-291,948	0	584,885
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	42,951,538	-291,948	0	42,659,590

12-Jan-2022 13:07:13

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 1 - FORM 1120, PG 1, LN 10

OTHER INCOME

LINE 10: OTHER INCOME

CONTRIBUTION IN AID OF CONSTRUCTION	1,490,491
MISCELLANEOUS OTHER INCOME	(562,731)
TOTAL	927,760

12-Jan-2022 13:07:15

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 2 - FORM 1120, PG 1, LN 17

TAXES

LINE 17: TAXES

REAL PROPERTY TAXES	531,674
STATE TAXES BASED ON INC - CURRENT	2,374,709
SALES AND USE TAXES	148,274
PAYROLL TAXES	(114,667)
MISCELLANEOUS OTHER TAXES	625
TOTAL	2,940,615

12-Jan-2022 13:07:17

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 3 - FORM 1120, PG 1, LN 26

OTHER DEDUCTIONS

LINE 26: OTHER DEDUCTIONS

MISC OFFICE EXPENSES	5,264,528
MEALS & ENTERTAINMENT	185,536
MEALS & ENTERTAINMENT - NCS ALLCTN	(38,993)
INSURANCE - OTHER	137,961
MISCELLANEOUS DEDUCTIONS	(19,536,518)
MISC DEDUCTIONS - NCS ALLOCTN	(4,843)
SELLING EXPENSES	12,661,427
DISTRIBUTION EXPENSES	41,272,983
LOBBYING	(99,611)
LOBBYING - NCS ALLOCTN	(135,603)
PROFESSIONAL FEES	17,560,610
TOTAL	57,267,477

12-Jan-2022 13:07:22

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 4 - FORM 1120, PG 6, SCH L, LN 6, BEG
OTHER CURRENT ASSETS - BEGINNING

LINE 6: OTHER CURRENT ASSETS	
MARKETABLE SECURITIES	819,444
OTHER PREPAID EXPENSES	6,152,018
MISCELLANEOUS	3,091,327
Reg Asset Environ Cur	48,442
Reg Asset OPEB Transition	90,313
Reg Asset Unbill-Recoveries	271,536
Reg Asset Cr Bal Transf	11,509,912
Reg Asset Int Undercollection	202,153
Reg Asset CPA USP Rider	(4,786,378)
Reg Asset USP Unbilled	(1,921,706)
Reg Asset DSIC Unbilled	(30,918)
Reg Asset DSIC Billed	174,938
Unrecov Purchs Gas Costs-Com	3,713,539
Unrecov Purchs Gas Costs-Dem	2,546,906
End User Exchange	2,954,920
Transporter Imbalance	48,632
Unrecov Purch Gas Cst-Unbill	(12,994,190)
CPA Base Gas	2,899,354
Unrecov Purch-Cr Bal Transfer	3,730,192
TOTAL	18,520,434

12-Jan-2022 13:07:24

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 5 - FORM 1120, PG 6, SCH L, LN 9, BEG
OTHER INVESTMENTS - BEGINNING

LINE 9: OTHER INVESTMENTS

INVESTMENTS IN SUBSIDIARIES

20,283,228

12-Jan-2022 13:07:26

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 6 - FORM 1120, PG 6, SCH L, LN 14, BEG
OTHER ASSETS - BEGINNING

LINE 14: OTHER ASSETS	
FEDERAL DEFERRED TAXES - NONCURRENT	89,469,412
STATE DEFERRED TAXES - NONCURRENT	33,446,609
CONSTRUCTION IN PROGRESS	45,731,782
MISCELLANEOUS	11,310,575
NC Reg Asset Envir Non-Curr	7,361,049
NC Reg Asset OPEB Regulatory	225,783
NC Reg Asset FAS 158 OPEB	5,084,344
NC Reg Asset FAS158 Pension	23,920,366
NC Reg Asset Def Depr Cap Lse	2,965,826
NC Reg Asset ARO	6,529,172
NC Reg Asset Inc Tax NC Fed	226,655,332
Right of Use Asset-Additions	11,826,227
Right of Use Asset-Amort	(1,422,031)
Right of Use Asset-Retirements	(1,112,292)
Oblig Operating Lease Curr-Add	(3,267,946)
Oblig Operating Lease Curr-Pay	1,859,045
Oblig Operating Lease Curr-Trn	(394,332)
Oblig Operating Leas-NC Issuan	(8,558,280)
Oblig Operating Leas NC Transf	1,095,371
Funds Held in Trust	1,149,683
TOTAL	<u>453,875,695</u>

12-Jan-2022 13:07:27

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 7 - FORM 1120, PG 6, SCH L, LN 18, BEG
OTHER CURRENT LIABILITIES - BEGINNING

LINE 18: OTHER CURRENT LIABILITIES	
FEDERAL INCOME TAX PAYABLE	9,970,570
STATE TAXES PAYABLE	29,592
TAXES - OTHER	1,396,654
ACCRUED INTEREST	289,932
OTHER PAYABLES	158,302,293
OTHER ACCRUALS	44,415,929
MISCELLANEOUS	15,611,850
Accrd Unempl Insur-State	2,027
Accd Liab-Vacation Pay PY	1,423,400
Accd Liab-Vacation Pay CY	4,424,358
Accd Liab-Profit Sharing	318,232
Accd Liab-Incentive Compnstion	2,908,665
Accd Liability - Pension ST-NQ	2,800
Accd Liab-Environmental	1,221,250
Accd Liab-Health Benefits	455,416
Accd Liab-Rx Drug	101,265
Accd Liab-Dental	69,507
Accd Liab-ST FAS112	145,609
Accd Liab-Rate Refunds	142,955
Accd Liab-Refund to C&I Cust	(31,305)
Reg Liab Curr-Cap Rel Proceeds	298,180
Reg Liab Curr-Unified Cr-OFS	(4,279,396)
Reg Liab Curr-OFS Proceeds	401,410
Reg Liab Curr-OFS Proceed-PGCC	(174,897)
Reg Liab Curr-OFS Cap Rel Cr	(1,047,124)
Reg Liab Curr-Asset Reclass	11,509,912
Accrd Property Tax	370,722
Reg Liab Rate Reserve - Curren	8,397,459
TOTAL	256,677,265

12-Jan-2022 13:07:31

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 8 - FORM 1120, PG 6, SCH L, LN 21, BEG
OTHER LIABILITIES - BEGINNING

LINE 21: OTHER LIABILITIES	
FED DEFERRED INC TAXES - NONCURRENT	511,799,138
FED DEFERRED INC TAXES - REGULATORY	193,355,799
CONTINGENCY RESERVE	19,724,793
MISCELLANEOUS	25,383,396
Accum Prov Prop Injur Damg	142,035
Accum Prov-Banked Vacation	2,018,649
Accum Provisions Thrft Pln NI	16,905
Accum Provisions FAS 112	466,866
Accum Provisions OPEB	(3,602,878)
Accum Provisions Pen Cost Qual	3,454
Accum Prov LT PenCost Non-Qual	47,365
Custmr Advn for Constr NonCur	4,206,256
Def Credits-Environmental	5,655,895
Reg Liab NC-Retire Income	21,125,760
Reg Liab NC-FAS158 NQ Pension	53,543
TOTAL	780,396,976

12-Jan-2022 13:07:34

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 9 - FORM 1120, PG 6, SCH L, LN 6, END
OTHER CURRENT ASSETS - ENDING

LINE 6: OTHER CURRENT ASSETS - ENDING	
MARKETABLE SECURITIES	290,203
OTHER PREPAID EXPENSES	5,021,561
MISCELLANEOUS	3,941,037
Reg Asset Environ Cur	37,067
Reg Asset OPEB Transition	90,313
Reg Asset Unbill-Recoveries	203,563
Reg Asset Cr Bal Transf	10,481,456
Reg Asset Def Int Exp-Rate Ref	8,055
Reg Asset Int Undercollection	94,444
Reg Asset CPA USP Rider	(5,837,016)
Reg Asset USP Unbilled	(2,773,869)
Reg Asset DSIC Unbilled	(719,679)
Reg Asset DSIC Billed	636,510
Unrecov Purchs Gas Costs-Com	(796,375)
Unrecov Purchs Gas Costs-Dem	7,669,760
End User Exchange	2,744,860
Transporter Imbalance	181,408
Unrecov Purch Gas Cst-Unbill	(16,901,428)
CPA Base Gas	2,899,354
Unrecov Purch-Cr Bal Transfer	7,101,775
TOTAL	<u>14,372,999</u>

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 10 - FORM 1120, PG 6, SCH L, LN 9, END
OTHER INVESTMENTS - ENDING

LINE 9: OTHER INVESTMENTS

INVESTMENTS IN SUBSIDIARIES

20,283,228

12-Jan-2022 13:07:45

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 11 - FORM 1120, PG 6, SCH L, LN 14, END
OTHER ASSETS - ENDING

LINE 14: OTHER ASSETS	
FEDERAL DEFERRED TAXES - NONCURRENT	89,157,637
STATE DEFERRED TAXES - NONCURRENT	29,998,757
CONSTRUCTION IN PROGRESS	43,992,077
MISCELLANEOUS	20,086,291
NC Reg Asset Envir Non-Curr	7,665,204
NC Reg Asset OPEB Regulatory	135,470
NC Reg Asset FAS 158 OPEB	1,918,420
NC Reg Asset FAS158 Pension	15,506,183
NC Reg Asset Pen NQulfd FAS158	30,392
NC Reg Asset Def Depr Cap Lse	3,336,196
NC Reg Asset ARO	7,358,041
NC Reg Asset Inc Tax NC Fed	186,359,003
NC Reg Asset COVID Costs	5,404,591
Right of Use Asset-Additions	1,514,044
Right of Use Asset-Amort	(1,042,102)
Right of Use Asset-Retirements	(1,727,491)
Right of Use Asset-Beg Bal	9,291,903
Oblig Operating Lease Curr-Add	(1,518,975)
Oblig Operating Lease Curr-Pay	2,651,804
Oblig Operating Lease Curr-Trn	(909,223)
Oblig Operating Lease Curr-BB	(1,803,233)
Oblig Operating Leas-NC Issuan	4,930
Oblig Operating Leas NC Transf	1,198,109
Oblig Operating Leas Beg Bal	(7,462,909)
Funds Held in Trust	8,122,367
TOTAL	419,267,486

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 12 - FORM 1120, PG 6, SCH L, LN 18, END
OTHER CURRENT LIABILITIES - ENDING

LINE 18: OTHER CURRENT LIABILITIES	
FEDERAL INCOME TAX PAYABLE	20,684,745
STATE TAXES PAYABLE	1,167,311
TAXES - OTHER	1,371,311
ACCRUED INTEREST	283,176
OTHER PAYABLES	186,385,911
OTHER ACCRUALS	42,295,417
MISCELLANEOUS	18,478,298
Accrd Unempl Insur-State	(13,917)
Accd Liab-Vacation Pay PY	2,100,015
Accd Liab-Vacation Pay CY	4,748,885
Accd Liab-Severance	1,012,608
Accd Liab-Incentive Compnstion	2,257,450
Accd Liability - Pension ST-NQ	12,200
Accd Liab-Environmental	665,534
Accd Liab-Health Benefits	482,021
Accd Liab-Rx Drug	111,440
Accd Liab-Dental	61,630
Accd Liab-ST FAS112	144,974
Accd Liab-Rate Refunds	46,705
Accd Liab-Refund to C&I Cust	102,714
Reg Liab Curr-Cap Rel Proceeds	46,823
Reg Liab Curr-Unified Cr-OFS	(1,880,546)
Reg Liab Curr-OFS Proceeds	759,471
Reg Liab Curr-OFS Proceed-PGCC	(201,574)
Reg Liab Curr-OFS Cap Rel Cr	(511,576)
Reg Liab Curr-Asset Reclass	10,481,456
Accrd Property Tax	359,323
TOTAL	291,451,805

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 13 - FORM 1120, PG 6, SCH L, LN 21, END
OTHER LIABILITIES - ENDING

LINE 21: OTHER LIABILITIES		
FED DEFERRED INC TAXES - NONCURRENT		490,196,032
FED DEFERRED INC TAXES - REGULATORY		182,481,804
CONTINGENCY RESERVE		18,640,812
MISCELLANEOUS		22,997,340
Accum Prov Prop Injur Damg		109,678
Accum Prov-Banked Vacation		2,051,125
Accum Provisions Thrft Pln NI		24,122
Accum Provisions FAS 112		424,922
Accum Provisions OPEB		(7,186,135)
Accum Prov LT PenCost Non-Qual		131,074
NC Payroll Taxes Cares Act		2,922,870
Custmr Advn for Constr NonCur		3,793,775
Def Credits-Environmental		6,553,645
Reg Liab NC-Retire Income		19,687,715
TOTAL		742,828,779

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 14 - FORM 1125-A, LINE 4
ADDITIONAL SEC 263A COSTS

LINE 4: ADDITIONAL SECTION 263A COSTS

COGS: ADDITIONAL SECTION 263A COSTS

977,474

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 15 - FORM 1125-A, LINE 5
OTHER COSTS

LINE 5: OTHER COSTS

COGS: LIFO RESERVE

(4,460,926)

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

	COLUMN A INCOME (LOSS) PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D INCOME (LOSS) PER TAX RETURN
STMT 16 - SCH M-3, PART II, LINE 25				
LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES				
CONTRIBUTION IN AID OF CONSTRUCTION		1,490,491		1,490,491
MISCELLANEOUS OTHER INCOME	(150,250)	(412,481)		(562,731)
TOTAL	(150,250)	1,078,010	0	927,760

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

STATEMENT 17 - SCH M-3, PART II, LINE 28

LINE 28: OTHER INC (LOSS) EXP ITEMS WITH NO DIFF

GROSS SALES	555,341,305
REAL ESTATE RENTAL INCOME	844,326
SALES AND USE TAXES	(148,274)
MISCELLANEOUS OTHER TAXES	(625)
ADVERTISING	(652,306)
INSURANCE - OTHER	(137,961)
SELLING EXPENSES	(12,661,427)
DISTRIBUTION EXPENSES	(41,272,983)
PROFESSIONAL FEES	(17,560,610)
TOTAL	483,751,445

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2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
STATEMENT 18 - SCH M-3, PART III, LINE 38				
LINE 38: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES				
SALARIES & WAGES	73,490,264	(361,393)		73,128,871
MISCELLANEOUS REPAIRS	25,731,949	61,786,163		87,518,112
RENTS	3,581,283	541,466		4,122,749
REAL PROPERTY TAXES	520,275	11,399		531,674
PAYROLL TAXES	2,808,203	(2,922,870)		(114,667)
EMPLOYEE BENEFIT PROGRAMS		(1,000,439)	(45,029)	(1,045,468)
MISC OFFICE EXPENSES	5,157,568	106,960		5,264,528
MISCELLANEOUS DEDUCTIONS	(31,215,163)	11,701,445	(22,800)	(19,536,518)
MISC DEDUCTIONS - NCS ALLOCTN			(4,843)	(4,843)
LOBBYING			(99,611)	(99,611)
LOBBYING - NCS ALLOCTN			(135,603)	(135,603)
TOTAL	80,074,379	69,862,731	(307,886)	149,629,224

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STMT 19 - FORM 4797, PAGE 1, PART II, LINE 10

Form 4797, Part II, Securities Or Commodities Held By A Trader Mark To Market

Entity: Columbia Gas of Pennsylvania, Inc.
Period: 2020

Property Description	Date Acquired (YYYY-MM-DD)	Property Inherited, Enter "Inherited"	Date Sold (YYYY-MM-DD)	Gross Sales Price
<u>Columbia Gas of Pennsylvania, Inc.</u>				
Public Utility	Various		Various	0
				0
Grand Total				0

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STMT 19 - FORM 4797, PAGE 1, PART II, LINE 10

Form 4797, Part II, Securities Or Commodities Held By A Trader Mark To Market

Entity: Columbia Gas of Pennsylvania, Inc.

Period: 2020

Property Description	Depreciation Allowed	Cost or Other Basis	Gain or Loss
<u>Columbia Gas of Pennsylvania, Inc.</u>			
Public Utility	12,194,213	22,488,414	(10,294,201)
	<u>12,194,213</u>	<u>22,488,414</u>	<u>(10,294,201)</u>
Grand Total	<u><u>12,194,213</u></u>	<u><u>22,488,414</u></u>	<u><u>(10,294,201)</u></u>

12-Jan-2022 13:07:59

2020 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2020

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
STMT 20 - FORM 8916-A, LINE 6				
LINE 6: OTHER ITEMS WITH DIFFERENCES				
COGS: PRODUCT BOUGHT FOR MFG OR SALE	(1,542)	1,542		

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0	50	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	65	0
3	Dividends on certain debt-financed stock of domestic and foreign corporations	0	See instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	23.3	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	26.7	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	50	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	65	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Subtotal. Add lines 1 through 8. See instructions for limitations	0	See instructions	0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	0	100	0
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)	0		
15	Reserved for future use			
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	0	100	0
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	0		
c	Other inclusions from CFCs under subpart F not included on line 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)	0		
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)	0		
18	Gross-up for foreign taxes deemed paid	0		
19	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
20	Other dividends	0		
21	Deduction for dividends paid on certain preferred stock of public utilities			0
22	Section 250 deduction (attach Form 8993)			0
23	Total dividends and inclusions. Add lines 9 through 20. Enter here and on page 1, line 4	0		
24	Total special deductions. Add lines 9 through 22, column (c). Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst.	<input checked="" type="checkbox"/>		
2	Income tax. See instructions		2	0
3	Base erosion minimum tax (attach Form 8991)		3	0
4	Add lines 2 and 3		4	0
5a	Foreign tax credit (attach Form 1118)	5a	0	
b	Credit from Form 8834 (see instructions)	5b	0	
c	General business credit (attach Form 3800)	5c	0	
d	Credit for prior year minimum tax (attach Form 8827)	5d	0	
e	Bond credits from Form 8912	5e	0	
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	0
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0	
b	Recapture of low-income housing credit (attach Form 8611)	9b	0	
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c	0	
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d	0	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0	
f	Interest/tax due under section 453A(c) and/or section 453(l)	9f	0	
g	Other (see instructions-- attach statement)	9g	0	
10	Total. Add lines 9a through 9g		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	0

Part II- Reserved For Future Use

12	Reserved for future use		12	
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Part III- Payments, Refundable Credits, and Section 965 Net Tax Liability

13	2020 overpayment credited to 2021		13	0
14	2021 estimated tax payments	0	14	0
15	2021 refund applied for on Form 4466		15	(0)
16	Combine lines 13, 14, and 15		16	0
17	Tax deposited with Form 7004		17	0
18	Withholding (see instructions)		18	0
19	Total payments. Add lines 16, 17, and 18		19	0
20	Refundable credits from:			
a	Form 2439	20a	0	
b	Form 4136	20b	0	
c	Reserved for future use	20c		
d	Other (attach statement-- see instructions)	20d	0	
21	Total credits. Add lines 20a through 20d		21	0
22	Reserved for future use		22	
23	Total payments and credits. Add lines 19 and 21. Enter here and on page 1, line 33		23	0

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 221210		
b	Business activity ▶ NATURAL GAS DISTRIBTUION		
c	Product or service ▶ NATURAL GAS DISTRIBUTION		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ 35-2108946 NiSource Inc	X	
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G) . . .		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
			0.000
			0.000
			0.000

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

	X
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(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
			0.000
			0.000
			0.000

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316.
If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions. See the instructions for Form 5452.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

	X
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7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:
(a) Percentage owned ▶ .000 and (b) Owner's country ▶
(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶

	X
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8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) ▶
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) ▶ \$ 113,109,495

Schedule K Other Information (continued from page 4)

		Yes	No
13	Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
	If "Yes," the corporation is not required to complete Schedules L, M- 1, and M- 2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶\$ 0		
14	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		X
	If "Yes," complete and attach Schedule UTP.		
15a	Did the corporation make any payments in 2021 that would require it to file Form(s) 1099?	X	
b	If "Yes," did or will the corporation file all required Form(s) 1099?	X	
16	During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?		X
17	During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non- taxable, or tax deferred transaction?		X
18	Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19	During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042- S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20	Is the corporation operating on a cooperative basis?		X
21	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		X
	If "Yes," enter the total amount of the disallowed deductions ▶\$ 0		
22	Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))	X	
	If "Yes," complete and attach Form 8991.		
23	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24	Does the corporation satisfy one or more of the following? See instructions	X	
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense.		
	If "Yes," complete and attach Form 8990.		
25	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
	If "Yes," enter amount from Form 8996, line 15 ▶\$ 0		
26	Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties held directly or indirectly by the corporation, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the shareholders held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions		X
	Percentage: By Vote 0.0000 By Value 0.0000		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		1,849,374		1,186,074
2a	Trade notes and accounts receivable	111,116,334		115,084,001	
b	Less allowance for bad debts	(10,465,280)	100,651,054	(0)	115,084,001
3	Inventories		35,746,143		64,316,031
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 4	14,372,999	STATEMENT 9	17,859,608
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)	STATEMENT 5	20,283,228	STATEMENT 10	21,102,043
10a	Buildings and other depreciable assets	2,991,414,358		3,361,797,780	
b	Less accumulated depreciation	(517,362,012)	2,474,052,346	(555,659,084)	2,806,138,696
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		6,936,586		10,527,536
13a	Intangible assets (amortizable only)	40,548,636		49,129,387	
b	Less accumulated amortization	(19,762,171)	20,786,465	(30,713,166)	18,416,221
14	Other assets (attach statement)	STATEMENT 6	419,267,486	STATEMENT 11	269,543,680
15	Total assets		3,093,945,681		3,324,173,890
Liabilities and Shareholders' Equity					
16	Accounts payable		44,013,088		70,177,971
17	Mortgages, notes, bonds payable in less than 1 year		20,000,000		0
18	Other current liabilities (attach statement)	STATEMENT 7	291,451,805	STATEMENT 12	283,347,502
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		875,515,000		1,035,515,000
21	Other liabilities (attach statement)	STATEMENT 8	742,828,779	STATEMENT 13	618,868,785
22	Capital stock: a Preferred stock	0		0	
	b Common stock	45,127,800	45,127,800	45,127,800	45,127,800
23	Additional paid-in capital		107,889,827		192,889,827
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		967,119,382		1,078,247,005
26	Adjustments to shareholders' equity (attach statement)		0		0
27	Less cost of treasury stock		(0)		(0)
28	Total liabilities and shareholders' equity		3,093,945,681		3,324,173,890

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
6	Add lines 1 through 5	0	9	Add lines 7 and 8	0
			10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)

1	Balance at beginning of year	967,119,382	5	Distributions: a Cash	0
2	Net income (loss) per books	110,659,632		b Stock	0
3	Other increases (itemize):			c Property	0
	STATEMENT 14	467,991	6	Other decreases (itemize):	0
4	Add lines 1, 2, and 3	1,078,247,005	7	Add lines 5 and 6	0
			8	Balance at end of year (line 4 less line 7)	1,078,247,005

Form **4797**
Department of the Treasury
Internal Revenue Service

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184
2021
Attachment Sequence No. 27

Name(s) shown on return: Columbia Gas of Pennsylvania, Inc. Identifying number: 25-1100252

1a Enter the gross proceeds from sales or exchanges reported to you for 2021 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions	1a	0
b Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets	1b	0
c Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets	1c	0

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft- Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
				0	0	0	0
				0	0	0	0
				0	0	0	0
				0	0	0	0
3	Gain, if any, from Form 4684, line 39						0
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37						0
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824						0
6	Gain, if any, from line 32, from other than casualty or theft						0
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						0
8	Nonrecaptured net section 1231 losses from prior years. See instructions						0
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions						0

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):							
	Trader--see attached	VARIOUS	VARIOUS	0	8,804,034	18,407,275	-9,603,241
				0	0	0	0
				0	0	0	0
				0	0	0	0
11	Loss, if any, from line 7						(0)
12	Gain, if any, from line 7 or amount from line 8, if applicable						0
13	Gain, if any, from line 31						0
14	Net gain or (loss) from Form 4684, lines 31 and 38a						0
15	Ordinary gain from installment sales from Form 6252, line 25 or 36						0
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824						0
17	Combine lines 10 through 16						-9,603,241
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below. a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4						0
							0

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)			
A						
B						
C						
D						
These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D	
20	Gross sales price (Note: See line 1a before completing.)	20	0	0	0	0
21	Cost or other basis plus expense of sale	21	0	0	0	0
22	Depreciation (or depletion) allowed or allowable	22	0	0	0	0
23	Adjusted basis. Subtract line 22 from line 21	23	0	0	0	0
24	Total gain. Subtract line 23 from line 20	24	0	0	0	0
25 If section 1245 property:						
a	Depreciation allowed or allowable from line 22	25a	0	0	0	0
b	Enter the smaller of line 24 or 25a	25b	0	0	0	0
26 If section 1250 property: If straight line depreciation was used, enter - 0- on line 26g, except for a corporation subject to section 291.						
a	Additional depreciation after 1975. See instructions	26a	0	0	0	0
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions	26b	0	0	0	0
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c	0	0	0	0
d	Additional depreciation after 1969 and before 1976	26d	0	0	0	0
e	Enter the smaller of line 26c or 26d	26e	0	0	0	0
f	Section 291 amount (corporations only)	26f	0	0	0	0
g	Add lines 26b, 26e, and 26f	26g	0	0	0	0
27 If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.						
a	Soil, water, and land clearing expenses	27a	0	0	0	0
b	Line 27a multiplied by applicable percentage. See instructions	27b	0	0	0	0
c	Enter the smaller of line 24 or 27b	27c	0	0	0	0
28 If section 1254 property:						
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a	0	0	0	0
b	Enter the smaller of line 24 or 28a	28b	0	0	0	0
29 If section 1255 property:						
a	Applicable percentage of payments excluded from income under section 126. See instructions	29a	0	0	0	0
b	Enter the smaller of line 24 or 29a. See instructions.	29b	0	0	0	0

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	0
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	0
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6.	32	0

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less

(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33	0
34	Recomputed depreciation. See instructions	34	0
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	0

Form **1125-A**
(Rev. November 2018)
Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-0123

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name		Employer identification number
Columbia Gas of Pennsylvania, Inc.		25-1100252
1	Inventory at beginning of year	35,746,143
2	Purchases	242,357,440
3	Cost of labor	0
4	Additional section 263A costs (attach schedule) STATEMENT 15	1,460,896
5	Other costs (attach schedule) STATEMENT 16	-36,893,981
6	Total. Add lines 1 through 5	242,670,498
7	Inventory at end of year	64,316,031
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	178,354,467

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

- b** Check if there was a writedown of subnormal goods ▶
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 11-2018)

ERF

Credit for Federal Tax Paid on Fuels

OMB No. 1545-0162

2021

Attachment
Sequence No. **23**

► Go to www.irs.gov/Form4136 for instructions and the latest information.

Name (as shown on your income tax return) Columbia Gas of Pennsylvania, Inc.	Taxpayer identification number 25-1100252
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Caution: Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 or 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 or 14), claimant certifies that a certificate has not been provided to the credit card issuer.

1 Nontaxable Use of Gasoline

Note: CRN is credit reference number.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	\$.183	0	\$ 0	362
b	Use on a farm for farming purposes	.183	0		
c	Other nontaxable use (see Caution above line 1)	.183	0		
d	Exported	.184	0	0	411

2 Nontaxable Use of Aviation Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$.15	0	\$ 0	354
b	Other nontaxable use (see Caution above line 1)	.193	0	0	324
c	Exported	.194	0	0	412
d	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

3 Nontaxable Use of Undyed Diesel Fuel

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here ►

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	02	42,280	\$ 10,274	360
b	Use on a farm for farming purposes	.243	0		
c	Use in trains	.243	0		
d	Use in certain intercity and local buses (see Caution above line 1)	.17	0	0	350
e	Exported	.244	0	0	413

4 Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here ►

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	\$.243	0	\$ 0	346
b	Use on a farm for farming purposes	.243	0		
c	Use in certain intercity and local buses (see Caution above line 1)	.17	0		
d	Exported	.244	0	0	414
e	Nontaxable use taxed at \$.044	.043	0	0	377
f	Nontaxable use taxed at \$.219	.218	0	0	369

For Paperwork Reduction Act Notice, see the separate instructions.

Form **4136** (2021)

5 Kerosene Used in Aviation

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200	0	\$ 0	417
b	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219	.175	0	0	355
c	Nontaxable use (other than use by state or local government) taxed at \$.244	.243	0	0	346
d	Nontaxable use (other than use by state or local government) taxed at \$.219	.218	0	0	369
e	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel

Registration No. ►

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
a	Use by a state or local government	\$.243	0	\$ 0	360
b	Use in certain intercity and local buses	.17	0	0	350

7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene For Use in Aviation)

Registration No. ►

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
a	Use by a state or local government	\$.243	0	\$ 0	346
b	Sales from a blocked pump	.243	0		
c	Use in certain intercity and local buses	.17	0		

8 Sales by Registered Ultimate Vendors of Kerosene For Use in Aviation.

Registration No. ►

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) taxed at \$.219	\$.175	0	\$ 0	355
b	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200	0	0	417
c	Nonexempt use in noncommercial aviation	.025	0	0	418
d	Other nontaxable uses taxed at \$.244	.243	0	0	346
e	Other nontaxable uses taxed at \$.219	.218	0	0	369
f	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

Form 4136 (2021)

9 Reserved for future use

Registration No. ►

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
a Reserved for future use			\$	
b Reserved for future use				

10 Biodiesel or Renewable Diesel Mixture Credit

Registration No. ►

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 10. See the instructions for line 10 for information about renewable diesel used in aviation.

	(b) Rate	(c) Gallons of biodiesel or renewable diesel	(d) Amount of credit	(e) CRN
a Biodiesel (other than agri-biodiesel) mixtures	\$1.00	0	\$ 0	388
b Agri-biodiesel mixtures	1.00	0	0	390
c Renewable diesel mixtures	1.00	0	0	307

11 Nontaxable Use of Alternative Fuel

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)		\$.183	0	\$ 0	419
b "P Series" fuels		.183	0	0	420
c Compressed natural gas (CNG) (see instructions)		.183	0	0	421
d Liquefied hydrogen		.183	0	0	422
e Fischer-Tropsch process liquid fuel from coal (including peat)		.243	0	0	423
f Liquid fuel derived from biomass		.243	0	0	424
g Liquefied natural gas (LNG) (see instructions)		.243	0	0	425
h Liquefied gas derived from biomass		.183	0	0	435

12 Alternative Fuel Credit

Registration No. ►

	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)	\$.50	0	\$ 0	426
b "P Series" fuels	.50	0	0	427
c Compressed natural gas (CNG) (see instructions)	.50	0	0	428
d Liquefied hydrogen	.50	0	0	429
e Fischer-Tropsch process liquid fuel from coal (including peat)	.50	0	0	430
f Liquid fuel derived from biomass	.50	0	0	431
g Liquefied natural gas (LNG) (see instructions)	.50	0	0	432
h Liquefied gas derived from biomass	.50	0	0	436
i Compressed gas derived from biomass	.50	0	0	437

13 Registered Credit Card Issuers

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Diesel fuel sold for the exclusive use of a state or local government	\$.243	0	\$ 0	360
b Kerosene sold for the exclusive use of a state or local government	.243	0	0	346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219	.218	0	0	369

14 Nontaxable Use of a Diesel-Water Fuel Emulsion

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use		\$.197	0	\$ 0	309
b Exported		.198	0	0	306

15 Diesel-Water Fuel Emulsion Blending

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$.046	0	\$ 0	310

16 Exported Dyed Fuels and Exported Gasoline Blendstocks

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Exported dyed diesel fuel and exported gasoline blendstocks taxed at \$.001	\$.001	0	\$ 0	415
b Exported dyed kerosene	.001	0	0	416

17 Total income tax credit claimed. Add lines 1 through 16, column (d). Enter here and on Schedule 3 (Form 1040), line 12; Form 1120, Schedule J, line 20b; Form 1120S, line 23c; Form 1041, Schedule G, line 16b; or the proper line of other returns. ►	17	\$	10,274	
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SCHEDULE M-3
(Form 1120)

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

▶ **Attach to Form 1120 or 1120-C.**

▶ **Go to www.irs.gov/Form1120 for instructions and the latest information.**

OMB No. 1545-0123

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
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- Check applicable box(es): (1) Non-consolidated return (2) Consolidated return (Form 1120 only)
- (3) Mixed 1120/L/PC group (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning _____ Ending _____
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	0
b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(0)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	0
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).	11	0

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	0	0
b Removed on Part I, line 5	0	0
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	0

Schedule M-3 (Form 1120) (Rev. 12-2019)

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	0	0	0
3 Subpart F, QEF, and similar income inclusions		0	0	0
4 Gross-up for foreign taxes deemed paid		0	0	0
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	350,824	0	-350,824	
7 U.S. dividends not eliminated in tax consolidation	0	0	0	0
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	0	0	0	0
10 Income (loss) from foreign partnerships	0	0	0	0
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	1,423,356	0	-1,404,671	18,685
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(182,088,496)	3,734,029	0	(178,354,467)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		0	0	0
20 Unearned/deferred revenue	0	0	0	0
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-146,477	146,477	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		0	0	0
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		0	0	0
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-9,603,241	0	-9,603,241
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	33,108,079	-628,950	0	32,479,129 STMT 17
26 Total income (loss) items. Combine lines 1 through 25	-147,352,714	-6,351,685	-1,755,495	-155,459,894
27 Total expense/deduction items (from Part III, line 39)	-281,230,106	-51,482,274	28,503,624	-304,208,756
28 Other items with no differences STATEMENT 18	539,242,452			539,242,452
29a Mixed groups, see instructions. All others, combine lines 26 through 28	110,659,632	-57,833,959	26,748,129	79,573,802
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	110,659,632	-57,833,959	26,748,129	79,573,802

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return- Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	14,215,973	0	-14,215,973	
2 U.S. deferred income tax expense	11,360,586	0	-11,360,586	
3 State and local current income tax expense	3,737,633	0	0	3,737,633
4 State and local deferred income tax expense	1,476,446	0	-1,476,446	
5 Foreign current income tax expense (other than foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	0	0
8 Interest expense (see instructions)	45,493,763	119,837	0	45,613,600
9 Stock option expense	0	0	0	0
10 Other equity-based compensation	0	235,552	0	235,552
11 Meals and entertainment	7,124	0	-5,510	1,614
12 Fines and penalties	1,143,000	0	-1,143,000	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	0	0
16 Pension and profit-sharing	11,264,890	601,503	0	11,866,393
17 Other post-retirement benefits	0	2,473,679	0	2,473,679
18 Deferred compensation	0	0	0	0
19 Charitable contribution of cash and tangible property	210,513	0	0	210,513
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction (See instr.)		0	0	0
23 Current year acquisition or reorganization investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	0	0	0
27 Amortization of acquisition, reorganization, and start-up costs	0	0	0	0
28 Other amortization or impairment write-offs	3,951,771	0	0	3,951,771
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	84,643,755	-3,781,163	0	80,862,592
32 Bad debt expense	31,609,801	2,425,687	0	34,035,488
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	0	0	0	0
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Section 162(r)- FDIC premiums paid by certain large financial institutions (see instructions)	0	0	0	0
38 Other expense/deduction items with differences (attach statement) STATEMENT 19	72,114,851	49,407,179	-302,109	121,219,921
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	281,230,106	51,482,274	-28,503,624	304,208,756

Depreciation and Amortization (Including Information on Listed Property)

▶ **Attach to your tax return.**
▶ **Go to www.irs.gov/Form4562 for instructions and the latest information.**

2021
Attachment
Sequence No. **179**

Name(s) shown on return Columbia Gas of Pennsylvania, Inc.	Business or activity to which this form relates NATURAL GAS DISTRIBUTUION	Identifying number 25-1100252
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	1,050,000
2 Total cost of section 179 property placed in service (see instructions)	2	0
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,620,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0- . If married filing separately, see instructions	5	1,050,000
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
	0	0
	0	0
7 Listed property. Enter the amount from line 29	7	0
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10 Carryover of disallowed deduction from line 13 of your 2020 Form 4562	10	0
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	1,050,000
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	0
13 Carryover of disallowed deduction to 2022. Add lines 9 and 10, less line 12 ▶	13	0

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	0
15 Property subject to section 168(f)(1) election	15	0
16 Other depreciation (including ACRS)	16	3,764

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2021	17	68,049,822
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ <input type="checkbox"/>		

Section B - Assets Placed in Service During 2021 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3- year property		19,735,442	3.0	HY	S/L	3,289,306
b 5- year property		162,687	5.0	HY	200 DB	32,537
c 7- year property		749,417	7.0	HY	Various	101,172
d 10- year property		0	10.0	HY		0
e 15- year property		0	15.0	HY		0
f 20- year property		249,773,837	20.0	HY	150 DB	9,366,519
g 25- year property		0	25 yrs.	HY	S/L	0
h Residential rental property		0	27.5 yrs.	MM	S/L	0
		0	27.5 yrs.	MM	S/L	0
i Nonresidential real property		340,921	39 yrs.	MM	S/L	14,601
		12,733,467	35.0	MM	S/L	4,871

Section C - Assets Placed in Service During 2021 Tax Year Using the Alternative Depreciation System

20a Class life		0	0.0	HY	S/L	0
b 12- year		0	12 yrs.		S/L	0
c 30- year		0	30 yrs.	MM	S/L	0
d 40- year		0	40 yrs.	MM	S/L	0

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	0
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	80,862,592
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	0

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? 24b If "Yes," is the evidence written? 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions. 26 Property used more than 50% in a qualified business use: 27 Property used 50% or less in a qualified business use: 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (don't include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven 33 Total miles driven during the year. Add lines 30 through 32 34 Was the vehicle available for personal use during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? 36 Is another vehicle available for personal use?

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions. Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year 42 Amortization of costs that begins during your 2021 tax year (see instructions): 43 Amortization of costs that began before your 2021 tax year 44 Total. Add amounts in column (f). See the instructions for where to report

Supplemental Attachment to Schedule M-3

Form **8916-A**

(Rev. November 2019)

Department of the Treasury
Internal Revenue Service

▶ **Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.**

▶ **Go to www.irs.gov/Form1120 for the latest information.**

OMB No. 1545-0123

Name of common parent Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Name of subsidiary	Employer identification number

Part I Cost of Goods Sold				
Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions	0	36,893,981	0	36,893,981
2 Amounts attributable to:				
a Stock option expense	0	0	0	0
b Other equity-based compensation	0	0	0	0
c Meals and entertainment	0	0	0	0
d Parachute payments	0	0	0	0
e Compensation with section 162(m) limitation	0	0	0	0
f Pension and profit sharing	0	0	0	0
g Other post-retirement benefits	0	0	0	0
h Deferred compensation	0	0	0	0
i Reserved				
j Amortization	0	0	0	0
k Depletion	0	0	0	0
l Depreciation	0	0	0	0
m Corporate-owned life insurance premiums	0	0	0	0
n Other section 263A costs	64,316,031	-1,460,896	0	62,855,135
3 Inventory shrinkage accruals	0	0	0	0
4 Excess inventory and obsolescence reserves	0	0	0	0
5 Lower of cost or market write-downs	0	0	0	0
6 Other items with differences (attach statement) <small>STMT 20</small>	-28,569,888	-31,699,056	0	-60,268,944
7 Other items with no differences	-217,834,639			-217,834,639
8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions	-182,088,496	3,734,029	0	-178,354,467

For Paperwork Reduction Act Notice, see instructions.

Form **8916-A** (Rev. 11-2019)

ERF

F1.00.01 US8916A1

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income	0	0	0	
2	Interest income from hybrid securities	0	0	0	0
3	Sale/lease interest income	0	0	0	0
4a	Intercompany interest income - From outside tax affiliated group	0	0	0	0
4b	Intercompany interest income - From tax affiliated group	3,359	0	0	3,359
5	Other interest income	1,419,997	0	-1,404,671	15,326
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	1,423,356	0	-1,404,671	18,685

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities	0	0	0	0
2	Lease/purchase interest expense	0	0	0	0
3a	Intercompany interest expense - Paid to outside tax affiliated group	0	0	0	0
3b	Intercompany interest expense - Paid to tax affiliated group	44,570,654	0	0	44,570,654
4	Other interest expense	923,109	119,837	0	1,042,946
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	45,493,763	119,837	0	45,613,600

15-Oct-2022 15:41:36

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
FORM 8916-A SUPPORTING SCHEDULES				
STMT 20 - FORM 8916-A, LINE 6				
LINE 6: OTHER ITEMS WITH DIFFERENCES				
COGS: PRODUCT BOUGHT FOR MFG OR SALE	(28,569,888)	(31,699,056)		(60,268,944)

15-Oct-2022 15:41:37

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 1 - FORM 1120, PG 1, LN 10

OTHER INCOME

LINE 10: OTHER INCOME

CONTRIBUTION IN AID OF CONSTRUCTION	317,153
Rev From Nonutility Operations	(2,472,436)
Rev From Merch, Jobbing, And Contrac	16,973
Comp For Minor Or Incidental Service	48,467
Other Operating Revenue	32,161,976
TOTAL	<u>30,072,133</u>

15-Oct-2022 15:41:37

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 2 - FORM 1120, PG 1, LN 17

TAXES

LINE 17: TAXES

REAL PROPERTY TAXES	(27,143)
STATE TAXES BASED ON INC - CURRENT	3,737,633
PAYROLL TAXES	1,461,435
Other Taxes	3,625,539
TOTAL	<u>8,797,464</u>

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2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 3 - FORM 1120, PG 1, LN 26

OTHER DEDUCTIONS

LINE 26: OTHER DEDUCTIONS

Meals and Entertainment	1,614
Meter and House Regulator Exp	1,847,346
Amortization of Builder Incentives	3,458
Misc. General Exp	586,726
Insuries and Damages	6,481,331
MISC DEDUCTIONS - NCS ALLOCTN	(4,119)
Miscellaneous Deductions	922,653
SELLING EXPENSES	3,250
Operation Supervision / Engineering	8,778,067
Misc. Sales Exp	265
Customer Accounts Expenses	19,714,176
Office Supplies And Exp	4,979,171
Supervision	872
Lobbying and Political Contributions	(83,341)
LOBBYING - NCS ALLOCTN	(73,364)
Regulatory Commission Exp	2,331,598
Property Insurance	189,630
Outside Services Employed	27,616,588
Distribution Load Dispatching	342,244
OTHER AMORTIZATION - PRIOR YEAR	3,951,771
TOTAL	<u><u>77,589,936</u></u>

15-Oct-2022 15:41:39

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 4 - FORM 1120, PG 6, SCH L, LN 6, BEG
OTHER CURRENT ASSETS - BEGINNING

LINE 6: OTHER CURRENT ASSETS	
MARKETABLE SECURITIES	290,203
OTHER PREPAID EXPENSES	5,021,561
MISCELLANEOUS	3,941,037
Deferred Tax Assets	37,067
Other Special Funds	90,313
Reg Asset Unbill-Recoveries	203,563
Reg Asset Cr Bal Transf	10,481,456
Reg Asset Def Int Exp-Rate Ref	8,055
Reg Asset Int Undercollection	94,444
Reg Asset CPA USP Rider	(5,837,016)
Reg Asset USP Unbilled	(2,773,869)
Reg Asset DSIC Unbilled	(719,679)
Reg Asset DSIC Billed	636,510
Unrecov Purchs Gas Costs-Com	(796,375)
Unrecov Purchs Gas Costs-Dem	7,669,760
End User Exchange	2,744,860
Transporter Imbalance	181,408
Unrecov Purch Gas Cst-Unbill	(16,901,428)
CPA Base Gas	2,899,354
Unrecov Purch-Cr Bal Transfer	7,101,775
TOTAL	<u>14,372,999</u>

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2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 5 - FORM 1120, PG 6, SCH L, LN 9, BEG
OTHER INVESTMENTS - BEGINNING

LINE 9: OTHER INVESTMENTS

INVESTMENTS IN SUBSIDIARIES

20,283,228

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2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 6 - FORM 1120, PG 6, SCH L, LN 14, BEG

OTHER ASSETS - BEGINNING

LINE 14: OTHER ASSETS	
FEDERAL DEFERRED TAXES - NONCURRENT	89,157,637
STATE DEFERRED TAXES - NONCURRENT	29,998,757
CONSTRUCTION IN PROGRESS	43,992,077
MISCELLANEOUS	20,086,291
Other Accounts Receivable	7,665,204
Clearing Accounts	135,470
Nonutility property	1,918,420
Misc. Deferred Debits	15,506,183
NC Reg Asset Pen NQulfd FAS158	30,392
NC Reg Asset Def Depr Cap Lse	3,336,196
NC Reg Asset ARO	7,358,041
NC Reg Asset Inc Tax NC Fed	186,359,003
NC Reg Asset COVID Costs	5,404,591
Right of Use Asset-Additions	1,514,044
Right of Use Asset-Amort	(1,042,102)
Right of Use Asset-Retirements	(1,727,491)
Right of Use Asset-Beg Bal	9,291,903
Oblig Operating Lease Curr-Add	(1,518,975)
Oblig Operating Lease Curr-Pay	2,651,804
Oblig Operating Lease Curr-Trn	(909,223)
Oblig Operating Lease Curr-BB	(1,803,233)
Oblig Operating Leas-NC Issuan	4,930
Oblig Operating Leas NC Transf	1,198,109
Oblig Operating Leas Beg Bal	(7,462,909)
Other special funds	8,122,367
TOTAL	419,267,486

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2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 7 - FORM 1120, PG 6, SCH L, LN 18, BEG
OTHER CURRENT LIABILITIES - BEGINNING

LINE 18: OTHER CURRENT LIABILITIES	
FEDERAL INCOME TAX PAYABLE	20,684,745
STATE TAXES PAYABLE	1,167,311
TAXES - OTHER	1,371,311
ACCRUED INTEREST	283,176
OTHER PAYABLES	186,385,911
OTHER ACCRUALS	42,295,417
MISCELLANEOUS	18,478,298
Accrd Unempl Insur-State	(13,917)
Accd Liab-Vacation Pay PY	2,100,015
Accd Liab-Vacation Pay CY	4,748,885
Accd Liab-Severance	1,012,608
Accd Liab-Incentive Compnstion	2,257,450
Accd Liability - Pension ST-NQ	12,200
Accd Liab-Environmental	665,534
Accd Liab-Health Benefits	482,021
Accd Liab-Rx Drug	111,440
Accd Liab-Dental	61,630
Accd Liab-ST FAS112	144,974
Accd Liab-Rate Refunds	46,705
Accd Liab-Refund to C&I Cust	102,714
Reg Liab Curr-Cap Rel Proceeds	46,823
Reg Liab Curr-Unified Cr-OFS	(1,880,546)
Reg Liab Curr-OFS Proceeds	759,471
Reg Liab Curr-OFS Proceed-PGCC	(201,574)
Reg Liab Curr-OFS Cap Rel Cr	(511,576)
Reg Liab Curr-Asset Reclass	10,481,456
Accrd Property Tax	359,323
TOTAL	<u>291,451,805</u>

15-Oct-2022 15:41:41

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 8 - FORM 1120, PG 6, SCH L, LN 21, BEG
OTHER LIABILITIES - BEGINNING

LINE 21: OTHER LIABILITIES		
FED DEFERRED INC TAXES - NONCURRENT		490,196,032
FED DEFERRED INC TAXES - REGULATORY		182,481,804
CONTINGENCY RESERVE		18,640,812
MISCELLANEOUS		22,997,340
Accum Prov Prop Injur Damg		109,678
Accum Prov-Banked Vacation		2,051,125
Accum Provisions Thrft Pln NI		24,122
Accum Provisions FAS 112		424,922
Accum Provisions OPEB		(7,186,135)
Accum Prov LT PenCost Non-Qual		131,074
Taxes Accrued		2,922,870
Custmr Advn for Constr NonCur		3,793,775
Def Credits-Environmental		6,553,645
Reg Liab NC-Retire Income		19,687,715
TOTAL		<u>742,828,779</u>

15-Oct-2022 15:41:42

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 9 - FORM 1120, PG 6, SCH L, LN 6, END
OTHER CURRENT ASSETS - ENDING

LINE 6: OTHER CURRENT ASSETS - ENDING	
Prepayments	14,992,486
Exchange gas receivable	731,872
Regulatory assets-Current	2,135,250
TOTAL	<u>17,859,608</u>

15-Oct-2022 15:41:42

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 10 - FORM 1120, PG 6, SCH L, LN 9, END
OTHER INVESTMENTS - ENDING

LINE 9: OTHER INVESTMENTS

Other Investments

21,102,043

15-Oct-2022 15:41:43

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 11 - FORM 1120, PG 6, SCH L, LN 14, END
OTHER ASSETS - ENDING

LINE 14: OTHER ASSETS	
Deferred charges and other	48,643,455
Other Regulatory Assets	220,900,225
TOTAL	<u>269,543,680</u>

15-Oct-2022 15:41:43

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 12 - FORM 1120, PG 6, SCH L, LN 18, END
OTHER CURRENT LIABILITIES - ENDING

LINE 18: OTHER CURRENT LIABILITIES	
Exchange Gas Payable	13,263,328
Taxes Accrued	17,669,847
Interest Accrued	335,065
Accounts Payable To Associated Co.	165,724,792
Misc Current And Accrued Liabilities	19,064,639
Customer Deposits	46,716,999
Other Regulatory Liabilities	20,572,832
TOTAL	<u>283,347,502</u>

15-Oct-2022 15:41:44

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 13 - FORM 1120, PG 6, SCH L, LN 21, END
OTHER LIABILITIES - ENDING

LINE 21: OTHER LIABILITIES	
Accum Deferred Inc Taxes	397,720,059
Other Accruals	29,463,811
Post Retirement Benefits	(11,229,116)
Other Regulatory Liabilities	187,914,306
Asset Retirement Obligation	14,999,725
TOTAL	<u>618,868,785</u>

15-Oct-2022 15:41:45

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 14 - FORM 1120, SCH M-2, LN 3
OTHER INCREASES

LINE 3: OTHER INCREASES

PRIOR PERIOD ADJUSTMENTS

467,991

15-Oct-2022 15:41:45

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 15 - FORM 1125-A, LINE 4
ADDITIONAL SEC 263A COSTS

LINE 4: ADDITIONAL SECTION 263A COSTS	
COGS: ADDITIONAL SECTION 263A COSTS	1,460,896

15-Oct-2022 15:41:46

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 16 - FORM 1125-A, LINE 5
OTHER COSTS

LINE 5: OTHER COSTS

COGS: LIFO RESERVE

(36,893,981)

15-Oct-2022 15:41:46

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

	COLUMN A INCOME (LOSS) PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D INCOME (LOSS) PER TAX RETURN
STMT 17 - SCH M-3, PART II, LINE 25				
LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES				
CONTRIBUTION IN AID OF CONSTRUCTION		317,153		317,153
Other Operating Revenue	33,108,079	(946,103)		32,161,976
TOTAL	33,108,079	(628,950)	0	32,479,129

15-Oct-2022 15:41:47

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

STATEMENT 18 - SCH M-3, PART II, LINE 28

LINE 28: OTHER INC (LOSS) EXP ITEMS WITH NO DIFF

Other Operating Revenues	153,834,145
Sales of Gas	512,686,722
Rev From Nonutility Operations	(2,472,436)
Rev From Merch, Jobbing, And Contrac	16,973
Comp For Minor Or Incidental Service	48,467
Maintenance Expense	(52,562,754)
Other Taxes	(3,625,539)
General Advertising Exp	(791,033)
Meter and House Regulator Exp	(1,847,346)
Misc. General Exp	(586,726)
Insuries and Damages	(6,481,331)
SELLING EXPENSES	(3,250)
Operation Supervision / Engineering	(8,778,067)
Misc. Sales Exp	(265)
Customer Accounts Expenses	(19,714,176)
Supervision	(872)
Regulatory Commission Exp	(2,331,598)
Property Insurance	(189,630)
Outside Services Employed	(27,616,588)
Distribution Load Dispatching	(342,244)
TOTAL	<u>539,242,452</u>

15-Oct-2022 15:41:48

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
STATEMENT 19 - SCH M-3, PART III, LINE 38				
LINE 38: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES				
SALARIES & WAGES	60,259,883	(2,011,684)		58,248,199
MISCELLANEOUS REPAIRS		54,990,400		54,990,400
RENTS	3,017,481	(1,434,410)		1,583,071
REAL PROPERTY TAXES		(27,143)		(27,143)
PAYROLL TAXES		1,461,435		1,461,435
EMPLOYEE BENEFIT PROGRAMS		(662,014)	(118,485)	(780,499)
Amortization of Builder Incentives		3,458		3,458
MISC DEDUCTIONS - NCS ALLOCTN			(4,119)	(4,119)
Miscellaneous Deductions	3,858,405	(2,912,952)	(22,800)	922,653
Office Supplies And Exp	4,979,082	89		4,979,171
Lobbying and Political Contributions			(83,341)	(83,341)
LOBBYING - NCS ALLOCTN			(73,364)	(73,364)
TOTAL	72,114,851	49,407,179	(302,109)	121,219,921

15-Oct-2022 15:41:49

2021 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2021

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
STMT 20 - FORM 8916-A, LINE 6				
LINE 6: OTHER ITEMS WITH DIFFERENCES				
COGS: PRODUCT BOUGHT FOR MFG OR SALE	(28,569,888)	(31,699,056)		(60,268,944)

1120

Form Department of the Treasury Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2022 or tax year beginning _____, _____, ending _____, 20_____

Go to www.irs.gov/Form1120 for instructions and the latest information.

2022

A Check if:

- 1a Consolidated return (attach Form 851)
- b Life/nonlife consolidated return
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp. (see instructions)
- 4 Schedule M-3 attached

TYPE OR PRINT

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state or province, country, and ZIP or foreign postal code

Columbia Gas of Pennsylvania, Inc.
290 W. Nationwide Blvd.
Columbus OH 43215 Franklin

B Employer identification number

25-1100252

C Date incorporated
06 23 1960

D Total assets (see instructions)
\$ 3,597,580,107

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income

(See instructions for limitations on deductions.)

Payments

1a	Gross receipts or sales	1a	840,326,911	
b	Returns and allowances	1b	0	
c	Balance. Subtract line 1b from line 1a	1c	840,326,911	
2	Cost of goods sold (attach Form 1125-A)	2	263,722,846	
3	Gross profit. Subtract line 2 from line 1c	3	576,604,065	
4	Dividends and inclusions (Schedule C, line 23)	4	0	
5	Interest	5	780,669	
6	Gross rents	6	0	
7	Gross royalties	7	0	
8	Capital gain net income (attach Schedule D (Form 1120))	8	0	
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	-9,761,434	
10	Other income (see instructions-- attach statement) STATEMENT 1	10	29,129,907	
11	Total income. Add lines 3 through 10	11	596,753,207	
12	Compensation of officers (see instructions-- attach Form 1125-E)	12	0	
13	Salaries and wages (less employment credits)	13	27,246,467	
14	Repairs and maintenance	14	132,735,632	
15	Bad debts	15	44,788,117	
16	Rents	16	2,127,714	
17	Taxes and licenses STATEMENT 2	17	10,113,464	
18	Interest (see instructions)	18	51,309,659	
19	Charitable contributions	19	245,800	
20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	93,309,635	
21	Depletion	21	0	
22	Advertising	22	702,162	
23	Pension, profit-sharing, etc., plans	23	12,975,394	
24	Employee benefit programs	24	1,211,909	
25	Reserved for future use	25		
26	Other deductions (attach statement) STATEMENT 3	26	128,163,740	
27	Total deductions. Add lines 12 through 26	27	504,929,693	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	91,823,514	
29a	Net operating loss deduction (see instructions)	29a	0	
b	Special deductions (Schedule C, line 24)	29b	0	
c	Add lines 29a and 29b	29c	0	
30	Taxable income. Subtract line 29c from line 28. See instructions	30	91,823,514	
31	Total tax (Schedule J, Part I, line 11)	31	19,282,938	
32	Reserved for future use	32		
33	Total payments and credits (Schedule J, Part III, line 23)	33	0	
34	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/>	34	0	
35	Amount owed. If line 33 is smaller than the total of lines 31 and 34, enter amount owed.	35	19,282,938	
36	Overpayment. If line 33 is larger than the total of lines 31 and 34, enter amount overpaid.	36	0	
37	Enter amount from line 36 you want: Credited to 2023 estimated tax 0 Refunded	37	0	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer JENNIFER HARDING Date _____ Title VP of Tax

May the IRS discuss this return with the preparer shown below See instructions. Yes No

Paid Preparer Use Only

Print/Type preparer's name ROBERT ANDREE Preparer's signature _____ Date _____ Check if self-employed PTIN P01604525

Firm's name KPMG LLP Firm's EIN 13-5565207
Firm's address 90 S 7th ST Suite 4200 Minneapolis MN 55402 Phone no. 614-249-2300

Schedule C Dividends, Inclusions, and Special Deductions (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0	50	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	65	0
3	Dividends on certain debt-financed stock of domestic and foreign corporations	0	See instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	23.3	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	26.7	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	50	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	65	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	Subtotal. Add lines 1 through 8. See instructions for limitations	0	See instructions	0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)	0	100	0
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)	0		
15	Reserved for future use			
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)	0	100	0
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)	0		
c	Other inclusions from CFCs under subpart F not included on line 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)	0		
17	Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992)	0		
18	Gross-up for foreign taxes deemed paid	0		
19	IC-DISC and former DISC dividends not included on line 1, 2, or 3	0		
20	Other dividends	0		
21	Deduction for dividends paid on certain preferred stock of public utilities			0
22	Section 250 deduction (attach Form 8993)			0
23	Total dividends and inclusions. Add column (a), lines 9 through 20. Enter here and on page 1, line 4	0		
24	Total special deductions. Add column (c), lines 9 through 22, column (c). Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See inst.	<input checked="" type="checkbox"/>		
2	Income tax. See instructions		2	19,282,938
3	Base erosion minimum tax amount (attach Form 8991)		3	0
4	Add lines 2 and 3		4	19,282,938
5a	Foreign tax credit (attach Form 1118)	5a	0	
b	Credit from Form 8834 (see instructions)	5b	0	
c	General business credit (attach Form 3800)	5c	0	
d	Credit for prior year minimum tax (attach Form 8827)	5d	0	
e	Bond credits from Form 8912	5e	0	
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	19,282,938
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	0
9a	Recapture of investment credit (attach Form 4255)	9a	0	
b	Recapture of low-income housing credit (attach Form 8611)	9b	0	
c	Interest due under the look-back method-- completed long-term contracts (attach Form 8697)	9c	0	
d	Interest due under the look-back method-- income forecast method (attach Form 8866)	9d	0	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	0	
f	Interest/tax due under section 453A(c) and/or section 453(l)	9f	0	
g	Other (see instructions-- attach statement)	9g	0	
10	Total. Add lines 9a through 9g		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	19,282,938

Part II - Reserved For Future Use

12	Reserved for future use		12	
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Part III - Payments and Refundable Credits

13	2021 overpayment credited to 2022		13	0
14	2022 estimated tax payments	0	14	0
15	2022 refund applied for on Form 4466		15	(0)
16	Combine lines 13, 14, and 15		16	0
17	Tax deposited with Form 7004		17	0
18	Withholding (see instructions)		18	0
19	Total payments. Add lines 16, 17, and 18		19	0
20	Refundable credits from:			
a	Form 2439	20a	0	
b	Form 4136	20b	0	
c	Reserved for future use	20c		
d	Other (attach statement-- see instructions)	20d	0	
21	Total credits. Add lines 20a through 20d		21	0
22	Reserved for future use		22	
23	Total payments and credits. Add lines 19 and 21. Enter here and on page 1, line 33		23	0

Schedule K Other Information (continued from page 4)

		Yes	No
13	Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
	If "Yes," the corporation is not required to complete Schedules L, M- 1, and M- 2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year \$ _____ 0		
14	Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		X
	If "Yes," complete and attach Schedule UTP.		
15a	Did the corporation make any payments in 2022 that would require it to file Form(s) 1099?	X	
b	If "Yes," did or will the corporation file all required Form(s) 1099?	X	
16	During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?		X
17	During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non- taxable, or tax deferred transaction?		X
18	Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19	During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042- S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20	Is the corporation operating on a cooperative basis?		X
21	During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		X
	If "Yes," enter the total amount of the disallowed deductions \$ _____ 0		
22	Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))	X	
	If "Yes," complete and attach Form 8991.		
23	Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24	Does the corporation satisfy one or more of the following? See instructions	X	
a	The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b	The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$27 million and the corporation has business interest expense.		
c	The corporation is a tax shelter and the corporation has business interest expense.		
	If "Yes," complete and attach Form 8990.		
25	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
	If "Yes," enter amount from Form 8996, line 15 \$ _____ 0		
26	Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties held directly or indirectly by the corporation, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the shareholders held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions		X
	Percentage: By Vote 0.0000 By Value 0.0000		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		1,186,074		3,269,939
2a	Trade notes and accounts receivable	115,084,001		83,860,047	
b	Less allowance for bad debts	(0)	115,084,001	(0)	83,860,047
3	Inventories		64,316,031		125,081,168
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach statement)	STATEMENT 4	17,859,608	STATEMENT 9	41,863,481
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach statement)	STATEMENT 5	21,102,043	STATEMENT 10	21,735,705
10a	Buildings and other depreciable assets	3,361,797,780		3,695,848,864	
b	Less accumulated depreciation	(555,659,084)	2,806,138,696	(609,105,642)	3,086,743,222
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		10,527,536		9,833,048
13a	Intangible assets (amortizable only)	49,129,387		55,993,969	
b	Less accumulated amortization	(30,713,166)	18,416,221	(24,306,893)	31,687,076
14	Other assets (attach statement)	STATEMENT 6	269,543,680	STATEMENT 11	193,506,421
15	Total assets		3,324,173,890		3,597,580,107
Liabilities and Shareholders' Equity					
16	Accounts payable		70,177,971		94,092,338
17	Mortgages, notes, bonds payable in less than 1 year		0		903,496
18	Other current liabilities (attach statement)	STATEMENT 7	283,347,502	STATEMENT 12	147,473,072
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		1,035,515,000		1,288,790,232
21	Other liabilities (attach statement)	STATEMENT 8	618,868,785	STATEMENT 13	586,911,213
22	Capital stock: a Preferred stock	0		0	
	b Common stock	45,127,800	45,127,800	45,127,800	45,127,800
23	Additional paid-in capital		192,889,827		192,889,827
24	Retained earnings - Appropriated (attach statement)		0		0
25	Retained earnings - Unappropriated		1,078,247,005		1,241,392,129
26	Adjustments to shareholders' equity (attach statement)		0		0
27	Less cost of treasury stock		(0)		(0)
28	Total liabilities and shareholders' equity		3,324,173,890		3,597,580,107

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	0	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	0		Tax-exempt interest \$	0
3	Excess of capital losses over capital gains	0			0
4	Income subject to tax not recorded on books this year (itemize):	0			0
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$	0		a Depreciation \$	0
b	Charitable contributions \$	0		b Charitable contributions \$	0
c	Travel & entertainment \$	0			0
6	Add lines 1 through 5	0	9	Add lines 7 and 8	0
			10	Income (page 1, line 28) - line 6 less line 9	0

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)

1	Balance at beginning of year	1,078,247,005	5	Distributions: a Cash	0
2	Net income (loss) per books	163,145,124		b Stock	0
3	Other increases (itemize):			c Property	0
			6	Other decreases (itemize):	0
			7	Add lines 5 and 6	0
4	Add lines 1, 2, and 3	1,241,392,129	8	Balance at end of year (line 4 less line 7)	1,241,392,129

Form **4797**
Department of the Treasury
Internal Revenue Service

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

OMB No. 1545-0184
2022
Attachment
Sequence No. 27

Attach to your tax return.
Go to www.irs.gov/Form4797 for instructions and the latest information.

Name(s) shown on return Columbia Gas of Pennsylvania, Inc.		Identifying number 25-1100252
1a	Enter the gross proceeds from sales or exchanges reported to you for 2022 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions	0
1b	Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets	0
1c	Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets	0

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft- Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
				0	0	0	0
				0	0	0	0
				0	0	0	0
				0	0	0	0
3	Gain, if any, from Form 4684, line 39						0
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37.						0
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824						0
6	Gain, if any, from line 32, from other than casualty or theft						0
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows						0
	Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.						
	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
8	Nonrecaptured net section 1231 losses from prior years. See instructions						0
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions						0

Part II Ordinary Gains and Losses (see instructions)

10	Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):						
	Public Utility			0	0	0	-9,761,434
				0	0	0	0
				0	0	0	0
				0	0	0	0
11	Loss, if any, from line 7						(0)
12	Gain, if any, from line 7 or amount from line 8, if applicable						0
13	Gain, if any, from line 31						0
14	Net gain or (loss) from Form 4684, lines 31 and 38a						0
15	Ordinary gain from installment sales from Form 6252, line 25 or 36						0
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824						0
17	Combine lines 10 through 16						-9,761,434
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.						
18a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions						
18b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4						

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A					
B					
C					
D					
These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1a before completing.)	0	0	0	0
21	Cost or other basis plus expense of sale	0	0	0	0
22	Depreciation (or depletion) allowed or allowable	0	0	0	0
23	Adjusted basis. Subtract line 22 from line 21	0	0	0	0
24	Total gain. Subtract line 23 from line 20	0	0	0	0
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	0	0	0	0
b	Enter the smaller of line 24 or 25a	0	0	0	0
26 If section 1250 property: If straight line depreciation was used, enter - 0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975. See instructions	0	0	0	0
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions	0	0	0	0
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	0	0	0	0
d	Additional depreciation after 1969 and before 1976	0	0	0	0
e	Enter the smaller of line 26c or 26d	0	0	0	0
f	Section 291 amount (corporations only)	0	0	0	0
g	Add lines 26b, 26e, and 26f	0	0	0	0
27 If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.					
a	Soil, water, and land clearing expenses	0	0	0	0
b	Line 27a multiplied by applicable percentage. See instructions	0	0	0	0
c	Enter the smaller of line 24 or 27b	0	0	0	0
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	0	0	0	0
b	Enter the smaller of line 24 or 28a	0	0	0	0
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126. See instructions	0	0	0	0
b	Enter the smaller of line 24 or 29a. See instructions.	0	0	0	0

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	0
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	0
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6.	32	0

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less

(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	0	0
34	Recomputed depreciation. See instructions	0	0
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	0	0

Form **1125-A**

Cost of Goods Sold

(Rev. November 2018)

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name		Employer identification number
Columbia Gas of Pennsylvania, Inc.		25-1100252
1	Inventory at beginning of year	64,316,031
2	Purchases	330,303,298
3	Cost of labor	0
4	Additional section 263A costs (attach schedule) STATEMENT 14	1,576,094
5	Other costs (attach schedule) STATEMENT 15	-7,391,409
6	Total. Add lines 1 through 5	388,804,014
7	Inventory at end of year	125,081,168
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	263,722,846

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

- b** Check if there was a writedown of subnormal goods ▶
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 11-2018)

ERF

Credit for Federal Tax Paid on Fuels

OMB No. 1545-0162

2022

Go to www.irs.gov/Form4136 for instructions and the latest information.

Attachment
Sequence No. **23**

Name (as shown on your income tax return) Columbia Gas of Pennsylvania, Inc.	Taxpayer identification number 25-1100252
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Caution: Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 or 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 or 14), claimant certifies that a certificate has not been provided to the credit card issuer.

1 Nontaxable Use of Gasoline

Note: CRN is credit reference number.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	\$.183	0	\$ 0	362
b	Use on a farm for farming purposes	.183	0		
c	Other nontaxable use (see Caution above line 1)	.183	0		
d	Exported	.184	0	0	411

2 Nontaxable Use of Aviation Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$.15	0	\$ 0	354
b	Other nontaxable use (see Caution above line 1)	.193	0	0	324
c	Exported	.194	0	0	412
d	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

3 Nontaxable Use of Undyed Diesel Fuel

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here . . .

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	\$.243	0	\$ 0	360
b	Use on a farm for farming purposes	.243	0		
c	Use in trains	.243	0		
d	Use in certain intercity and local buses (see Caution above line 1)	.17	0	0	350
e	Exported	.244	0	0	413

4 Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here . . .

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	\$.243	0	\$ 0	346
b	Use on a farm for farming purposes	.243	0		
c	Use in certain intercity and local buses (see Caution above line 1)	.17	0		
d	Exported	.244	0	0	414
e	Nontaxable use taxed at \$.044	.043	0	0	377
f	Nontaxable use taxed at \$.219	.218	0	0	369

For Paperwork Reduction Act Notice, see the separate instructions.

Form **4136** (2022)

5 Kerosene Used in Aviation

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200	0	\$ 0	417
b	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219	.175	0	0	355
c	Nontaxable use (other than use by state or local government) taxed at \$.244	.243	0	0	346
d	Nontaxable use (other than use by state or local government) taxed at \$.219	.218	0	0	369
e	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel**Registration No.**

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
a	Use by a state or local government	\$.243	0	\$ 0	360
b	Use in certain intercity and local buses	.17	0	0	350

7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene for Use in Aviation)**Registration No.**

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN	
a	Use by a state or local government	\$.243	0	\$ 0	346
b	Sales from a blocked pump	.243	0		
c	Use in certain intercity and local buses	.17	0		

8 Sales by Registered Ultimate Vendors of Kerosene for Use in Aviation.**Registration No.**

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) taxed at \$.219	\$.175	0	\$ 0	355
b	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200	0	0	417
c	Nonexempt use in noncommercial aviation	.025	0	0	418
d	Other nontaxable uses taxed at \$.244	.243	0	0	346
e	Other nontaxable uses taxed at \$.219	.218	0	0	369
f	LUST tax on aviation fuels used in foreign trade	.001	0	0	433

Form 4136 (2022)

9 Reserved for future use

Registration No.

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
a Reserved for future use			\$	
b Reserved for future use				

10 Biodiesel or Renewable Diesel Mixture, or Sustainable Aviation Fuel Credit

Registration No.

Biodiesel or renewable diesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel or renewable diesel with liquid fuel (other than renewable diesel). The biodiesel used to produce the biodiesel mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS.

Sustainable aviation fuel (SAF). Claimant produced a qualified mixture by mixing SAF with kerosene. The qualified mixture was produced by the claimant in the United States, such mixture was used by the claimant (or sold by the claimant for use) in an aircraft, such sale or use was in the ordinary course of a trade or business of the claimant, and the transfer of such mixture to the fuel tank of such aircraft occurred in the United States. The SAF used to produce the qualified mixture is the portion of liquid fuel that is not kerosene that (i) either (A) meets the specifications of one of the ASTM D7566 Annexes, or (B) meets the specifications of ASTM D1655 Annex A1, (ii) is not derived from coprocessing an applicable material (or materials derived from an applicable material) with a feedstock that is not biomass, (iii) is not derived from palm fatty acid distillates or petroleum, and (iv) has been certified in accordance with section 40B(e) as having a lifecycle greenhouse gas emissions reduction percentage of at least 50 percent. **For all claims.** Claimant has attached the appropriate certificates and, if applicable, appropriate reseller statements. Claimant has no reason to believe that the information in the certificate or statement is false. See the instructions for additional information and requirements.

	(b) Rate	(c) Number of gallons sold or used	(d) Amount of credit	(e) CRN
a Biodiesel (other than agri- biodiesel) mixtures	\$1.00	0	\$ 0	388
b Agri- biodiesel mixtures	1.00	0	0	390
c Renewable diesel mixtures	1.00	0	0	307
d Sustainable aviation fuel mixtures (see instructions)	0.00	0	0	440

11 Nontaxable Use of Alternative Fuel

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)		\$.183	0	\$ 0	419
b "P Series" fuels		.183	0	0	420
c Compressed natural gas (CNG) (see instructions)		.183	0	0	421
d Liquefied hydrogen		.183	0	0	422
e Fischer- Tropsch process liquid fuel from coal (including peat)		.243	0	0	423
f Liquid fuel derived from biomass		.243	0	0	424
g Liquefied natural gas (LNG) (see instructions)		.243	0	0	425
h Liquefied gas derived from biomass		.183	0	0	435

12 Alternative Fuel Credit

Registration No.

For the alternative fuel mixture credit, claimant produced a mixture by mixing taxable fuel with alternative fuel. Claimant certifies that it (a) produced the alternative fuel, or (b) has in its possession the name, address, and EIN of the person(s) that sold the alternative fuel to the claimant; the date of purchase; and an invoice or other documentation identifying the amount of the alternative fuel. The claimant also certifies that it made no other claim for the amount of the alternative fuel, or has repaid the amount to the government. The alternative fuel mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant.

	(b) Rate	(c) Gallons, or gasoline or diesel gallon equivalents	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG) (see instructions)	\$.50	0	\$ 0	426
b "P Series" fuels	.50	0	0	427
c Compressed natural gas (CNG) (see instructions)	.50	0	0	428
d Liquefied hydrogen (terminated after 12/31/2022)	.50	0	0	429
e Fischer- Tropsch process liquid fuel from coal (including peat)	.50	0	0	430
f Liquid fuel derived from biomass	.50	0	0	431
g Liquefied natural gas (LNG) (see instructions)	.50	0	0	432
h Liquefied gas derived from biomass	.50	0	0	436
i Compressed gas derived from biomass	.50	0	0	437

13 Registered Credit Card Issuers

Registration No.

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Diesel fuel sold for the exclusive use of a state or local government	\$.243	0	\$ 0	360
b Kerosene sold for the exclusive use of a state or local government	.243	0	0	346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219	.218	0	0	369

14 Nontaxable Use of a Diesel-Water Fuel Emulsion

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See instructions.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use		\$.197	0	\$ 0	309
b Exported		.198	0	0	306

15 Diesel-Water Fuel Emulsion Blending

Registration No.

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$.046	0	\$ 0	310

16 Exported Dyed Fuels and Exported Gasoline Blendstocks

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Exported dyed diesel fuel and exported gasoline blendstocks taxed at \$.001	\$.001	0	\$ 0	415
b Exported dyed kerosene	.001	0	0	416

17 Total income tax credit claimed. Add lines 1 through 16, column (d). Enter here and on Schedule 3 (Form 1040), line 12; Form 1120, Schedule J, line 20b; Form 1120S, line 23c; Form 1041, Schedule G, line 16b; or the proper line of other returns.

17	\$	0	
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SCHEDULE M-3
(Form 1120)

(Rev. December 2019)
Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

▶ **Attach to Form 1120 or 1120-C.**

▶ **Go to www.irs.gov/Form1120 for instructions and the latest information.**

OMB No. 1545-0123

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
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- Check applicable box(es): (1) Non-consolidated return (2) Consolidated return (Form 1120 only)
- (3) Mixed 1120/L/PC group (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning _____ Ending _____
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	0
b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____		
5a Net income from nonincludible foreign entities (attach statement)	5a	(0)
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	0
6a Net income from nonincludible U.S. entities (attach statement)	6a	(0)
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	0
7a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	0
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	0
c Net income (loss) of other includible entities (attach statement)	7c	0
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	0
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	0
10a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	0
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	0
c Other adjustments to reconcile to amount on line 11 (attach statement)	10c	0
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 30, column (a), and Schedule M-1, line 1 (see instructions).	11	0

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	0	0
b Removed on Part I, line 5	0	0
c Removed on Part I, line 6	0	0
d Included on Part I, line 7	0	0

Schedule M-3 (Form 1120) (Rev. 12-2019)

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	0	0	0	
2 Gross foreign dividends not previously taxed	0	0	0	0
3 Subpart F, QEF, and similar income inclusions		0	0	0
4 Gross-up for foreign taxes deemed paid		0	0	0
5 Gross foreign distributions previously taxed	0	0	0	
6 Income (loss) from equity method U.S. corporations	0	0	0	
7 U.S. dividends not eliminated in tax consolidation	0	0	0	0
8 Minority interest for includible corporations	0	0	0	
9 Income (loss) from U.S. partnerships	633,662	0	-633,662	0
10 Income (loss) from foreign partnerships	0	0	0	0
11 Income (loss) from other pass-through entities	0	0	0	0
12 Items relating to reportable transactions	0	0	0	0
13 Interest income (see instructions)	780,669	0	0	780,669
14 Total accrual to cash adjustment	0	0	0	0
15 Hedging transactions	0	0	0	0
16 Mark-to-market income (loss)	0	0	0	0
17 Cost of goods sold (see instructions)	(265,194,009)	1,471,163	0	(263,722,846)
18 Sale versus lease (for sellers and/or lessors)	0	0	0	0
19 Section 481(a) adjustments		0	0	0
20 Unearned/deferred revenue	0	0	0	0
21 Income recognition from long-term contracts	0	0	0	0
22 Original issue discount and other imputed interest	0	0	0	0
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-1	1	0	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities		0	0	0
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		0	0	0
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-9,761,434	0	-9,761,434
e Abandonment losses		0	0	0
f Worthless stock losses (attach statement)		0	0	0
g Other gain/loss on disposition of assets other than inventory		0	0	0
24 Capital loss limitation and carryforward used		0	0	0
25 Other income (loss) items with differences (attach statement)	1,374,019	597,088	-1,374,019	597,088
26 Total income (loss) items. Combine lines 1 through 25	-262,405,660	-7,693,182	-2,007,681	-272,106,523
27 Total expense/deduction items (from Part III, line 39)	-340,872,924	-98,750,545	37,375,399	-402,248,070
28 Other items with no differences STATEMENT 17	766,423,708			766,423,708
29a Mixed groups, see instructions. All others, combine lines 26 through 28	163,145,124	-106,443,727	35,367,718	92,069,115
b PC insurance subgroup reconciliation totals	0	0	0	0
c Life insurance subgroup reconciliation totals	0	0	0	0
30 Reconciliation totals. Combine lines 29a through 29c	163,145,124	-106,443,727	35,367,718	92,069,115

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return- Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	19,089,061	0	-19,089,061	
2 U.S. deferred income tax expense	44,862,096	0	-44,862,096	
3 State and local current income tax expense	5,141,663	0	0	5,141,663
4 State and local deferred income tax expense	-27,968,623	0	27,968,623	
5 Foreign current income tax expense (other than foreign withholding taxes)	0	0	0	0
6 Foreign deferred income tax expense	0	0	0	
7 Foreign withholding taxes	0	0	0	0
8 Interest expense (see instructions)	50,639,039	670,620	0	51,309,659
9 Stock option expense	2,421,784	58,658	0	2,480,442
10 Other equity-based compensation	0	0	0	0
11 Meals and entertainment	75,439	0	-75,439	0
12 Fines and penalties	794,500	0	-794,500	0
13 Judgments, damages, awards, and similar costs	0	0	0	0
14 Parachute payments	0	0	0	0
15 Compensation with section 162(m) limitation	0	0	0	0
16 Pension and profit-sharing	11,455,247	1,520,147	0	12,975,394
17 Other post-retirement benefits	0	-70,430	0	-70,430
18 Deferred compensation	0	0	0	0
19 Charitable contribution of cash and tangible property	245,800	0	-245,601	199
20 Charitable contribution of intangible property	0	0	0	0
21 Charitable contribution limitation/carryforward		0	0	0
22 Domestic production activities deduction (See instr.)		0	0	0
23 Current year acquisition or reorganization investment banking fees	0	0	0	0
24 Current year acquisition or reorganization legal and accounting fees	0	0	0	0
25 Current year acquisition/reorganization other costs	0	0	0	0
26 Amortization/impairment of goodwill	0	0	0	0
27 Amortization of acquisition, reorganization, and start-up costs	0	0	0	0
28 Other amortization or impairment write-offs	9,291,137	55	0	9,291,192
29 Reserved				
30 Depletion	0	0	0	0
31 Depreciation	89,094,346	4,215,289	0	93,309,635
32 Bad debt expense	42,829,775	1,958,342	0	44,788,117
33 Corporate owned life insurance premiums	0	0	0	0
34 Purchase versus lease (for purchasers and/or lessees)	0	0	0	0
35 Research and development costs	29,573	-26,616	0	2,957
36 Section 118 exclusion (attach statement)	0	0	0	0
37 Section 162(r)- FDIC premiums paid by certain large financial institutions (see instructions)	0	0	0	0
38 Other expense/deduction items with differences (attach statement) STATEMENT 18	92,872,087	90,424,480	-277,325	183,019,242
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	340,872,924	98,750,545	-37,375,399	402,248,070

Form **4562**

Depreciation and Amortization
(Including Information on Listed Property)

2022

Department of the Treasury
Internal Revenue Service

Attach to your tax return.
Go to www.irs.gov/Form4562 for instructions and the latest information.

Attachment
Sequence No. **179**

Name(s) shown on return Columbia Gas of Pennsylvania, Inc.	Business or activity to which this form relates NATURAL GAS DISTRIBUTION	Identifying number 25-1100252
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	1,080,000
2 Total cost of section 179 property placed in service (see instructions)	2	0
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,700,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	1,080,000
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
	0	0
	0	0
7 Listed property. Enter the amount from line 29	7	0
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	0
10 Carryover of disallowed deduction from line 13 of your 2021 Form 4562	10	0
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	1,080,000
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	0
13 Carryover of disallowed deduction to 2023. Add lines 9 and 10, less line 12	13	0

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	0
15 Property subject to section 168(f)(1) election	15	0
16 Other depreciation (including ACRS)	16	3,783

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2022	17	80,547,629
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2022 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		10,989,048	0.0	S/L	S/L	1,831,545
b 5-year property		117,114	0.0	HY	200 DB	23,423
c 7-year property		-304,669	0.0	HY	200 DB	39,986
d 10-year property		0	0.0			0
e 15-year property		0	0.0			0
f 20-year property		281,565,937	0.0	HY	150 DB	10,558,723
g 25-year property		0	25 yrs.		S/L	0
h Residential rental property		0	27.5 yrs.	MM	S/L	0
		0	27.5 yrs.	MM	S/L	0
i Nonresidential real property		11,119,860	39 yrs.	MM	S/L	271,539
		2,309,831	35.0	MM	S/L	33,007

Section C - Assets Placed in Service During 2022 Tax Year Using the Alternative Depreciation System

20a Class life		0	0.0		S/L	0
b 12-year		0	12 yrs.		S/L	0
c 30-year		0	30 yrs.	MM	S/L	0
d 40-year		0	40 yrs.	MM	S/L	0

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	0
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	93,309,635
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	0

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

Table with 10 columns (a-i) and rows 24a-29. Includes checkboxes for 'Yes' and 'No' and numerical input fields for depreciation and cost.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 columns (a-f) and rows 30-36. Includes input fields for miles driven and Yes/No checkboxes for availability and use.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

Table with 2 columns (Yes/No) and rows 37-41. Includes Yes/No checkboxes for policy statements and requirements.

Part VI Amortization

Table with 6 columns (a-f) and rows 42-44. Includes input fields for amortization amounts and percentages.

Supplemental Attachment to Schedule M-3

Form **8916-A**

(Rev. November 2019)

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

▶ Go to www.irs.gov/Form1120 for the latest information.

OMB No. 1545-0123

Name of common parent Columbia Gas of Pennsylvania, Inc.	Employer identification number 25-1100252
Name of subsidiary	Employer identification number

Part I Cost of Goods Sold				
Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions	0	0	0	0
2 Amounts attributable to:				
a Stock option expense	0	0	0	0
b Other equity-based compensation	0	0	0	0
c Meals and entertainment	0	0	0	0
d Parachute payments	0	0	0	0
e Compensation with section 162(m) limitation	0	0	0	0
f Pension and profit sharing	0	0	0	0
g Other post-retirement benefits	0	0	0	0
h Deferred compensation	0	0	0	0
i Reserved				
j Amortization	0	0	0	0
k Depletion	0	0	0	0
l Depreciation	0	0	0	0
m Corporate-owned life insurance premiums	0	0	0	0
n Other section 263A costs	0	-1,576,094	0	-1,576,094
3 Inventory shrinkage accruals	0	0	0	0
4 Excess inventory and obsolescence reserves	0	0	0	0
5 Lower of cost or market write-downs	0	0	0	0
6 Other items with differences (attach statement) ^{STMT 19}	-7,391,409	3,047,257	0	-4,344,152
7 Other items with no differences	-257,802,600			-257,802,600
8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions	-265,194,009	1,471,163	0	-263,722,846

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income	0	0	0	
2	Interest income from hybrid securities	0	0	0	0
3	Sale/lease interest income	0	0	0	0
4a	Intercompany interest income - From outside tax affiliated group	0	0	0	0
4b	Intercompany interest income - From tax affiliated group	83,818	0	0	83,818
5	Other interest income	696,851	0	0	696,851
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	780,669	0	0	780,669

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities	0	0	0	0
2	Lease/purchase interest expense	0	0	0	0
3a	Intercompany interest expense - Paid to outside tax affiliated group	0	0	0	0
3b	Intercompany interest expense - Paid to tax affiliated group	49,945,795	0	0	49,945,795
4	Other interest expense	693,244	670,620	0	1,363,864
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	50,639,039	670,620	0	51,309,659

06-Dec-2023 13:49:40

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 1 - FORM 1120, PG 1, LN 10
OTHER INCOME

LINE 10: OTHER INCOME

CONTRIBUTION IN AID OF CONSTRUCTION	1,203,782
Other Income	(606,694)
Comp For Minor Or Incidental Service	97,943
Other Operating Revenue	911,185
OTHER INCOME	<u>27,523,691</u>
TOTAL	<u><u>29,129,907</u></u>

06-Dec-2023 13:49:41

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 2 - FORM 1120, PG 1, LN 17

TAXES

LINE 17: TAXES

REAL PROPERTY TAXES	27,825
STATE TAXES BASED ON INC - CURRENT	5,141,663
PAYROLL TAXES	1,461,435
Other Taxes	3,482,541
TOTAL	<u>10,113,464</u>

06-Dec-2023 13:49:41

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 3 - FORM 1120, PG 1, LN 26

OTHER DEDUCTIONS

LINE 26: OTHER DEDUCTIONS

Meter and House Regulator Exp	2,096,300
Misc. General Exp	(1,478,889)
Insuries and Damages	6,134,418
Other Deductions	33,565,407
Miscellaneous Deductions	33,366,505
SELLING EXPENSES	726
Operation Supervision / Engineering	9,370,047
Misc. Sales Exp	630
Customer Accounts Expenses	23,494,023
Office Supplies And Exp	6,295,449
Supervision	983
GIFTS	(199)
Lobbying and Political Contributions	(182,585)
TOTAL BOOK AMORTIZATION	(55)
OTHER AMORTIZATION - PRIOR YEAR	9,291,192
AMORTIZATION OF R&D EXP(SEC 174)-C/Y	2,957
OTHER IMPAIRMENT WRITE-OFFS	55
Cost of Removal	6,206,776
TOTAL	<u>128,163,740</u>

06-Dec-2023 13:49:41

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 4 - FORM 1120, PG 6, SCH L, LN 6, BEG
OTHER CURRENT ASSETS - BEGINNING

LINE 6: OTHER CURRENT ASSETS

Prepayments	14,992,486
Exchange gas receivable	731,872
Regulatory assets-Current	2,135,250
TOTAL	<u>17,859,608</u>

06-Dec-2023 13:49:42

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 5 - FORM 1120, PG 6, SCH L, LN 9, BEG
OTHER INVESTMENTS - BEGINNING

LINE 9: OTHER INVESTMENTS

Other Investments	<u>21,102,043</u>
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06-Dec-2023 13:49:42

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 6 - FORM 1120, PG 6, SCH L, LN 14, BEG
OTHER ASSETS - BEGINNING

LINE 14: OTHER ASSETS

Deferred charges and other	48,643,455
Other Regulatory Assets	220,900,225
TOTAL	<u>269,543,680</u>

06-Dec-2023 13:49:42

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 7 - FORM 1120, PG 6, SCH L, LN 18, BEG

OTHER CURRENT LIABILITIES - BEGINNING

LINE 18: OTHER CURRENT LIABILITIES

Exchange Gas Payable	13,263,328
Taxes Accrued	17,669,847
Interest Accrued	335,065
Accounts Payable To Associated Co.	165,724,792
Misc Current And Accrued Liabilities	19,064,639
Customer Deposits	46,716,999
Other Regulatory Liabilities	20,572,832
TOTAL	<u>283,347,502</u>

06-Dec-2023 13:49:43

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 8 - FORM 1120, PG 6, SCH L, LN 21, BEG

OTHER LIABILITIES - BEGINNING

LINE 21: OTHER LIABILITIES

Accum Deferred Inc Taxes	397,720,059
Other Accruals	29,463,811
Post Retirement Benefits	(11,229,116)
Other Regulatory Liabilities	187,914,306
Asset Retirement Obligation	14,999,725
TOTAL	<u>618,868,785</u>

06-Dec-2023 13:49:43

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 9 - FORM 1120, PG 6, SCH L, LN 6, END

OTHER CURRENT ASSETS - ENDING

LINE 6: OTHER CURRENT ASSETS - ENDING

Prepayments	21,961,781
Deferred Property Taxes	229,176
Regulatory assets-Current	19,672,524
TOTAL	<u>41,863,481</u>

06-Dec-2023 13:49:43

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 10 - FORM 1120, PG 6, SCH L, LN 9, END

OTHER INVESTMENTS - ENDING

LINE 9: OTHER INVESTMENTS

Other Investments

21,735,705

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2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 11 - FORM 1120, PG 6, SCH L, LN 14, END
OTHER ASSETS - ENDING

LINE 14: OTHER ASSETS

Other Regulatory Assets

193,506,421

06-Dec-2023 13:49:44

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 12 - FORM 1120, PG 6, SCH L, LN 18, END

OTHER CURRENT LIABILITIES - ENDING

LINE 18: OTHER CURRENT LIABILITIES

Exchange Gas Payable	14,991,040
Taxes Accrued	21,746,542
Interest Accrued	330,830
Misc Current And Accrued Liabilities	18,303,888
Customer Deposits	51,840,717
Other Regulatory Liabilities	40,260,055
TOTAL	<u>147,473,072</u>

06-Dec-2023 13:49:44

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 13 - FORM 1120, PG 6, SCH L, LN 21, END

OTHER LIABILITIES - ENDING

LINE 21: OTHER LIABILITIES

Accum Deferred Inc Taxes	369,936,182
Other Accruals	10,360,293
Other Regulatory Liabilities	191,558,063
OTHER NON-CURRENT LIABILITIES	(1,185,938)
Asset Retirement Obligation	16,242,613
TOTAL	<u>586,911,213</u>

06-Dec-2023 13:49:44

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 14 - FORM 1125-A, LINE 4

ADDITIONAL SEC 263A COSTS

LINE 4: ADDITIONAL SECTION 263A COSTS

COGS: ADDITIONAL SECTION 263A COSTS	<u>1,576,094</u>
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06-Dec-2023 13:49:45

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 15 - FORM 1125-A, LINE 5

OTHER COSTS

LINE 5: OTHER COSTS

COGS: MISCELLANEOUS OTHER COSTS	<u>(7,391,409)</u>
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06-Dec-2023 13:49:45

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

	COLUMN A INCOME (LOSS) PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D INCOME (LOSS) PER TAX RETURN
STMT 16 - SCH M-3, PART II, LINE 25				
LINE 25: OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES				
CONTRIBUTION IN AID OF CONSTRUCTION		1,203,782		1,203,782
Other Income		(606,694)		(606,694)
AFUDC Equity	1,374,019		(1,374,019)	
TOTAL	1,374,019	597,088	(1,374,019)	597,088

06-Dec-2023 13:49:45

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

STATEMENT 17 - SCH M-3, PART II, LINE 28

LINE 28: OTHER INC (LOSS) EXP ITEMS WITH NO DIFF	
Other Operating Revenues	172,289,159
Sales of Gas	668,037,752
Comp For Minor Or Incidental Service	97,943
Other Operating Revenue	911,185
OTHER INCOME	27,523,691
Maintenance Expense	(50,858,942)
Other Taxes	(3,482,541)
General Advertising Exp	(702,162)
Meter and House Regulator Exp	(2,096,300)
Insuries and Damages	(6,134,418)
SELLING EXPENSES	(726)
Operation Supervision / Engineering	(9,370,047)
Misc. Sales Exp	(630)
Customer Accounts Expenses	(23,494,023)
Office Supplies And Exp	(6,295,449)
Supervision	(983)
GIFTS	199
TOTAL	<u>766,423,708</u>

06-Dec-2023 13:49:45

2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
STATEMENT 18 - SCH M-3, PART III, LINE 38				
LINE 38: OTHER EXPENSE/DED ITEMS WITH DIFFERENCES				
SALARIES & WAGES	24,008,362	757,663		24,766,025
MISCELLANEOUS REPAIRS		81,876,690		81,876,690
RENTS	2,110,067	17,647		2,127,714
REAL PROPERTY TAXES		27,825		27,825
PAYROLL TAXES		1,461,435		1,461,435
EMPLOYEE BENEFIT PROGRAMS		1,353,309	(70,970)	1,282,339
Misc. General Exp		(1,478,889)		(1,478,889)
Other Deductions	33,593,099	(3,922)	(23,770)	33,565,407
Miscellaneous Deductions	33,160,559	205,946		33,366,505
Lobbying and Political Contributions			(182,585)	(182,585)
Cost of Removal		6,206,776		6,206,776
TOTAL	92,872,087	90,424,480	(277,325)	183,019,242

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2022 FEDERAL FORM 1120 TAX RETURN

Columbia Gas of Pennsylvania, Inc.
25-1100252
Year: 2022

	COLUMN A EXPENSE PER INCOME STATEMENT	COLUMN B TEMPORARY DIFFERENCE	COLUMN C PERMANENT DIFFERENCE	COLUMN D DEDUCTION PER TAX RETURN
STMT 19 - FORM 8916-A, LINE 6				
LINE 6: OTHER ITEMS WITH DIFFERENCES				
COGS: Other Exp	(7,391,409)	7,391,409		
COGS: PRODUCT BOUGHT FOR MFG OR SALE		(4,344,152)		(4,344,152)
TOTAL	(7,391,409)	3,047,257	0	(4,344,152)