



**STOLL  
KEENON  
OGDEN**  
P.L.L.C.

300 WEST VINE STREET  
SUITE 2100  
LEXINGTON, KY 40507-1801  
MAIN: (859) 231-3000  
FAX: (859) 253-1093

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NOV 25 2015

PUBLIC SERVICE  
COMMISSION

**ROBERT M. WATT, III**  
DIRECT DIAL: (859) 231-3043  
DIRECT FAX: (859) 246-3643  
Robert.Watt@skofirm.com

November 25, 2015

**HAND DELIVERED**

Hon. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40601

RECEIVED

NOV 25 2015

PUBLIC SERVICE  
COMMISSION

Re: T. Rowe Price Associates, Inc. Case No. 2015-00389

Dear Mr. Derouen:

On behalf of T. Rowe Price Associates, Inc., we enclose for filing an original and ten copies of the application of T. Rowe Price Associates, Inc. for a declaratory order regarding the acquisition of common stock. Thank you in advance for your assistance. Best regards.

Sincerely,

Robert M. Watt, III

rmw:rmw  
Enclosures

cc: Ryan P. Nolan, Esq. (w/encl.)  
Ellen A. York, Esq. (w/encl.)  
Richard G. Raff, Esq. (w/encl.)

110769.153302/4451106.1

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
NOV 25 2015  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF T. ROWE PRICE )  
ASSOCIATES, INC. FOR A DECLARATORY ) CASE NO. 2015- 00389  
ORDER REGARDING THE ACQUISITION OF )  
COMMON STOCK )

\* \* \* \* \*

**VERIFIED APPLICATION FOR A DECLARATORY  
ORDER REGARDING ACQUISITION OF COMMON STOCK**

Pursuant to 807 KAR 5:001, Section 19, T. Rowe Price Associates, Inc. (“**TRP Associates**”)<sup>1</sup> hereby requests an order from the Kentucky Public Service Commission (“**Commission**”) declaring that under KRS 278.020(6) TRP Associates will not be presumed to control NiSource Inc. (“**NiSource**”) should TRP Associates increase its beneficial ownership<sup>2</sup> to no more than 20% of the voting securities of NiSource (the acquisition hereafter referred to as the “**Proposed Transaction**”).

1. **T. Rowe Price Associates, Inc.** TRP Associates, a Maryland corporation, is registered with the U.S. Securities and Exchange Commission (“**SEC**”) as an investment adviser under the Investment Advisers Act of 1940, as amended. TRP Associates serves as investment

<sup>1</sup> T. Rowe Price Associates, Inc. is a wholly-owned subsidiary of T. Rowe Price Group, Inc. (“**TRPG**”). TRPG is a holding company with no physical assets and no independent operations of its own. TRPG has officers and directors, but no independent employees; all TRPG employees are employees of operating subsidiaries. TRPG common stock trades on the NASDAQ market under the ticker TROW.

<sup>2</sup> “Beneficial ownership” is defined under Rule 13d-3 of the Securities Exchange Act of 1934 as:  
“(a) For the purposes of sections 13(d) and 13(g) of the Act a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (1) Voting power which includes the power to vote, or to direct the voting of, such security; and/or, (2) Investment power which includes the power to dispose, or to direct the disposition of, such security.” 17 C.F.R. § 240.13d-3.

adviser to various entities including mutual funds, sub-advised funds, offshore funds, separate account clients, and common trust funds (collectively “**Advisory Clients**”). Advisory Clients of TRP Associates own shares of the common stock of NiSource, who provides natural gas services and transportation services and is publicly traded on the New York Stock Exchange under the ticker NI. Neither TRP Associates nor its affiliates directly own or hold any shares of NiSource.

2. Pursuant to investment management contracts with its Advisory Clients, TRP Associates has trading authority and/or voting power over the NiSource shares held by its Advisory Clients. For purposes of the reporting requirements of the Securities Exchange Act of 1934, as amended (1934 Act), TRP Associates is deemed to be a beneficial owner of such securities. However, TRP Associates is permitted to and does expressly disclaim such beneficial ownership.<sup>3</sup>

3. These securities of NiSource are held by the Advisory Clients of TRP Associates in the ordinary course of business for investment purposes only without the purpose of changing or influencing the control of NiSource; provided however, that TRP Associates does have the power to exercise the voting rights attached to such securities, on behalf of certain of its Advisory Clients, on matters put to the vote of the outstanding equity holders of NiSource. Accordingly, TRP Associates is eligible to file, and accordingly has filed a Schedule 13G<sup>4</sup> with the SEC pursuant to SEC rules under the 1934 Act, regarding the acquisition and holding of more than five percent (5%) of any class of equity securities of NiSource.<sup>5</sup>

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<sup>3</sup> Rule 13d-4. Disclaimer of Beneficial Ownership. “Any person may expressly declare in any statement filed that the filing of such statement shall not be construed as an admission that such person is, for the purposes of sections 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by the statement.” 17 C.F.R. § 240.13d-4.

<sup>4</sup> See Attachment 1 for the most recent Schedule 13G filed by TRP Associates for its beneficial ownership of NiSource.

<sup>5</sup> According to SEC rules, a Schedule 13G filer must “acquire[] such securities in the ordinary course of his business and not with the purpose nor with the effect of changing or influencing the control of the issuer, nor in

4. No single Advisory Client of TRP Associates currently owns more than five percent (5%) of the total issued and outstanding shares of the common stock of NiSource. TRP Associates, on behalf of its Advisory Clients, in the aggregate currently beneficially owns under ten percent (10%) of the total issued and outstanding shares of the common stock of NiSource. The NiSource voting shares are held by more than 200 Advisory Clients. These Advisory Clients are managed by eleven different portfolio managers who make independent decisions whether to acquire or dispose of voting shares, consistent with such Advisory Client's investment objectives, the economy and market and other related factors. In addition, each portfolio manager generally has the authority to vote the NiSource shares held by the Advisory Clients in accordance with the TRP Associates proxy voting guidelines or to take a position contrary to the voting guidelines.

5. TRP Associates does not own or operate any "utility" nor does it have control or influence over the operation or management of any "utility" in Kentucky. Accordingly, TRP Associates is not a "utility" as defined in KRS 278.010(3).

6. TRP Associates, on behalf of its Advisory Clients, has beneficial ownership interests in several other state regulated power generation and utility companies other than NiSource. The securities of these companies are held by the Advisory Clients of TRP Associates in the ordinary course of business for investment purposes only without the purpose of changing or influencing the control of such companies.

7. **NiSource Inc.** NiSource, an Indiana corporation, is a natural gas service and transportation service provider via nearly 60,000 miles of pipeline and related facilities in seven

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connection with or as a participant in any transaction having such purpose or effect," and is required to file a notification with the SEC of any acquisition of beneficial ownership of five percent or more of a class of equity securities. 17 C.F.R. § 240.13d-1. Under the 1934 Act, a person acquiring more than five percent (5%) of any class of equity security with the intention or purpose of controlling or influencing the conduct of the target company's business is not eligible to file a Schedule 13G, but must file a Schedule 13D.

states: Indiana, Kentucky, Maryland, Massachusetts, Ohio, Pennsylvania, and Virginia. NiSource also provides electric energy to certain parts of Indiana.

8. In Kentucky, NiSource wholly owns Columbia Gas of Kentucky, Inc., headquartered in Lexington. Columbia Gas of Kentucky, Inc. delivers natural gas to approximately 135,000 customers across the state and is the second largest gas-only provider in Kentucky.

9. **The Proposed Transaction.** TRP Associates seeks to acquire beneficial ownership, on behalf of its Advisory Clients, in excess of ten percent (10%) of the total issued and outstanding shares of the voting securities of NiSource, subject to the following conditions and limitations:

(a) TRP Associates, on behalf of its Advisory Clients, in the aggregate, will not acquire beneficial ownership of more than 20 percent (20%) of the outstanding voting securities of NiSource.

(b) TRP Associates, on behalf of any single Advisory Client, will not acquire beneficial ownership of more than ten percent (10%) of the outstanding voting securities of NiSource.

(c) TRP Associates will continue to have beneficial ownership of the outstanding voting securities of NiSource in the ordinary course of business for investment purposes only, without the purpose of changing or influencing the control of NiSource; provided however, that TRP Associates will continue to exercise voting rights, where permitted under its investment advisory contracts on behalf of its Advisory Clients, on matters put to the vote of the outstanding equity holders of NiSource. Accordingly, TRP Associates will maintain its status as a beneficial owner eligible to file Schedule 13G pursuant to SEC rules under the 1934 Act,

regarding the acquisition and holding of more than five percent (5%) of any class of equity securities of NiSource.

10. **Federal Energy Regulatory Commission Order.** On December 20, 2006, TRP Associates and its affiliates filed an application pursuant to Section 203 of the Federal Power Act with the Federal Energy Regulatory Commission (“**FERC**”). In their application, TRP Associates requested blanket authorization for certain acquisitions of the voting securities of publicly traded utilities and utility holding companies (“**Utilities**”). In its April 17, 2007 Order Authorizing Acquisition of Securities (“**FERC Order**”), FERC authorized these acquisitions upon a finding that they were consistent with the public interest. In 2010 and 2013, FERC issued three-year extensions of the original FERC Order.

11. The terms and conditions of these acquisitions are identical to the terms and conditions described in this request before the Commission; specifically, no Applicant, individually, will own or hold ten percent (10%) or more of the voting securities of any Utility, and collectively, the Applicants will not own or hold more than 20 percent (20%) of the voting securities of any Utility. A copy of the 2013 FERC Order is provided in Attachment 2.

12. **Applicable Kentucky Law.** The following statutory provision is relevant to this Application: KRS 278.020(6), which provides as follows:

No individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust, or other entity (an "acquirer"), whether or not organized under the laws of this state, shall acquire control, either directly or indirectly, of any utility furnishing utility service in this state, without having first obtained the approval of the commission. Any acquisition of control without prior authorization shall be void and of no effect. As used in this subsection, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a utility, whether through the ownership of voting securities, by effecting a change in the composition of the board of directors, by contract or

otherwise. Control shall be presumed to exist if any individual or entity, directly or indirectly, owns ten percent (10%) or more of the voting securities of the utility. This presumption may be rebutted by a showing that ownership does not in fact confer control.

13. TRP Associates requests the Commission to issue a declaratory order finding that TRP Associates has rebutted the presumption of control as outlined in KRS 278.020(6). TRP Associates should not be deemed to have acquired control, or the power to exercise substantial influence, over NiSource or its Kentucky utility subsidiary as a result of the Proposed Transaction. As noted above, and in accordance with the conditions of the FERC Order, TRP Associates cannot acquire the capital stock of NiSource with the purpose or effect of exercising control or substantial influence over NiSource. Any acquisition of NiSource securities by TRP Associates on behalf of its Advisory Clients is for investment purposes only. In addition, the rules of the Securities and Exchange Commission (see footnote 5, *infra*) effectively prevent TRP Associates from investing for purposes of exercising management or control over NiSource without adequate disclosure to the public.

14. The courts have interpreted whether a purchase of shares of stock reflects an intention to substantially influence the operations of a business. Under these fact-intensive rulings, the Proposed Transaction, marked by the mere acquisition of voting securities by mutual funds, with no policy or attempt to seek control, qualifies as an investment purpose, and not as a purpose of control or exercise of substantial influence over the issuer of the capital stock.

15. Specifically, the courts found a “control” purpose in General Aircraft Corp. v. Lampert, 556 F.2d 90, 96 (1st Cir. 1977) (the court found a “control” purpose where stock purchasers forced the management to agree to enlarge the board of directors; then elected two of their own nominees to the board; proposed drastic changes regarding the business and corporate structure; and enlisted prospective nominees for a dissident slate of directors); in Chromalloy

American Corp. v. Sun Chemical Corp., 611 F.2d 240, 246 (8th Cir. 1979) (the court found a “control” purpose where the purchaser had disclosed its plans to acquire a 20% stake in the company; attempted to gain board representation; prepared an “acquisition model” based on the company; and where an investment banker opined that the purchaser’s 20% investment would only be wise if it attempted to gain control); and in Dan River, Inc. v. Unitex, Ltd., 624 F.2d 1212, 126 (4th Cir. 1980) (the court found a “control” purpose where the purchaser consulted with an international financial firm with a recognized expertise in corporate mergers and acquisition, instead of merely a broker to purchase stock).

16. In contrast, the courts found an “investment” purpose in Kamerman v. Steinberg, 744 F.Supp. 59, 61 (S.D.N.Y. 1990) (the court found an “investment” purpose because of the purchaser’s prior conduct as an investor with respect to other companies, its conduct regarding the company at issue and the purchaser’s eventual sale of its stock back to the company at a premium. The court concluded that the purchaser sufficiently disclosed its purpose by expressly reserving the option to sell its stock should it become financially desirable to do so); and in SEC v. Amster & Co., 762 F.Supp. 604, 617 (S.D.N.Y. 1991) (the court found an “investment purpose” because the purchasers: (1) engaged in meetings with attorneys concerning investment options regarding their stake in the company; (2) stated on several occasions that they did not have a policy of seeking control, waging proxy contests or entering into hostile situations (and others confirmed that the purchasers advised them of these policies); and (3) engaged in preliminary discussions about the possibility of waging a proxy fight. The court concluded that the purchasers had no duty to report preliminary considerations of a proxy contest, nor other options they were considering, until the time when they actually decided to embark upon a

strategy and held that the purchasers' plans were too indefinite to trigger the Section 13(d) filing requirements).

17. TRP Associates should not be construed to have acquired control of a Kentucky utility by the acquisition of 10% or more of the stock of NiSource. Since the purpose of the Proposed Transaction is investment, and not control, TRP Associates has rebutted the presumption in KRS 278.020(6) that acquisition of 10% percent of the stock of NiSource constitutes the acquisition of control of the utility subsidiary of NiSource. The absence of control under KRS 278.020(6) also means that TRP Associates is not acquiring control under KRS 278.020(5).

18. **Public Interest Considerations.** TRP Associates notes that several public interest considerations apply to the Proposed Transaction. The Proposed Transaction is consistent with the public interest and will not adversely affect competition, rates, or regulation and will not result in cross-subsidization.

19. With respect to competition, the Proposed Transaction will not adversely affect competition because, under the internal and external controls discussed below, TRP Associates will not be able to exert any control over public service companies of which they acquire voting securities. The following internal and external controls protect against exercising control: (1) the terms and conditions of the FERC Order; (2) the eligibility requirements for the SEC's Schedule 13G; and (3) outside securities regulation and enforcement.

20. The Proposed Transaction will have no adverse effect on rates. TRP Associates will not acquire control over NiSource or its gas company operating in Kentucky, and thus will have no role in setting rates.

21. The Proposed Transaction will have no effect on regulation. Neither state nor federal regulation will be impaired by the Proposed Transaction because the jurisdictional status of NiSource, from which TRP Associates will acquire securities on behalf of its Advisory Clients, or its gas company operating in Kentucky, will remain unchanged by the Proposed Transaction.

22. The Proposed Transaction will not result in, at the time of the Proposed Transaction or in the future, cross-subsidization or the pledge or encumbrance of utility assets for the benefit of an affiliate company. No aspect of the Proposed Transaction involves: (1) transfers of facilities between a traditional public service company that has captive customers and an affiliate company; (2) new issuances of securities by a traditional public service company that has captive customers for the benefit of an affiliate company; (3) new pledges or encumbrances of assets of a traditional public service company that has captive customers for the benefit of an affiliate company; or (4) new affiliate contracts between a non-utility company and a traditional public service company that has captive customers.

23. In addition, consumers served by the gas company operating in Kentucky indirectly benefit from the Proposed Transaction, to the extent that NiSource's cost of capital and access to capital markets may be enhanced by the Proposed Transaction.

WHEREFORE, TRP Associates respectfully requests that the Commission (a) determine that the Proposed Transaction does not present the potential for the exercise of market power, will not have any other adverse impact on competition, and will not harm the interests of NiSource ratepayers, and (b) that TRP Associates will not be presumed to control NiSource Inc. should TRP Associates increase its beneficial ownership to no more than twenty percent (20%) of the voting securities of NiSource Inc.

Dated: November 20, 2015

Respectfully submitted,



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Ryan P. Nolan, Esq.  
Vice President & Senior Legal Counsel  
T. Rowe Price Associates, Inc.  
100 East Pratt Street  
Baltimore, MD 21202  
Tel: (410) 345-6618  
[ryan\\_nolan@troweprice.com](mailto:ryan_nolan@troweprice.com)

Ellen A. York, Esq.  
Legal Counsel  
T. Rowe Price Associates, Inc.  
100 East Pratt Street  
Baltimore, MD 21202  
Tel: (410) 345-4676  
[ellen\\_york@troweprice.com](mailto:ellen_york@troweprice.com)

Robert M. Watt, III  
Monica H. Braun  
Stoll Keenon Ogden, PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507  
Tel: 859-231-3000  
[robert.watt@skofirm.com](mailto:robert.watt@skofirm.com)  
[monica.braun@skofirm.com](mailto:monica.braun@skofirm.com)

*Attorneys for T. Rowe Price Associates, Inc.*



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 11)

NISOURCE INC.  
(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

65473P105  
(CUSIP Number)

December 31, 2014

(Date of Event which Requires Filing of Statement)

Check the appropriate box to designate the Rule pursuant to which this Schedule is filed:

- Rule 13d - 1(b)  
 Rule 13d - 1(c)  
 Rule 13d - 1(d)

1 Name of Reporting Person

T. ROWE PRICE ASSOCIATES, INC.  
52-0556948

2 Check the Appropriate Box if a Member of a Group

NOT APPLICABLE

3 SEC Use Only

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4 Citizenship or Place of Organization

MARYLAND

Number of Shares Beneficially Owned by Each Reporting Person With

5 Sole Voting Power\* 6,960,111

6 Shared Voting Power\* -0-

7 Sole Dispositive Power\* 21,991,926

8 Shared Dispositive Power -0-

9 Aggregate Amount Beneficially Owned by Each Reporting Person

21,991,926

10 Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

NOT APPLICABLE

11 Percent of Class Represented by Amount in Row 9

6.9%

12 Type of Reporting Person

IA

\*Any shares reported in Items 5 and 6 are also reported in Item 7.

Item 1(a) Name of Issuer:  
Reference is made to page 1 of this Schedule 13G

Item 1(b) Address of Issuer's Principal Executive Offices:  
  
801 EAST 86TH AVE., MERRILLVILLE, IN 46410

Item 2(a) Name of Person(s) Filing:  
  
(1) T. Rowe Price Associates, Inc. ("Price Associates")  
  
(2)

Attached as Exhibit A is a copy of an agreement between the Persons Filing (as specified hereinabove) that this Schedule 13G is being filed on behalf of each of them.

Item 2(b) Address of Principal Business Office:  
  
100 E. Pratt Street, Baltimore, Maryland 21202

Item 2(c) Citizenship or Place of Organization:  
  
(1) Maryland  
  
(2)

Item 2(d) Title of Class of Securities:  
Reference is made to page 1 of this Schedule 13G

Item 2(e) CUSIP Number: 65473P105

Item 3 The person filing this Schedule 13G is an:

X Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

Investment Company registered under Section 8 of the Investment Company Act of 1940

Item 4 Reference is made to Items 5-11 on the preceding pages of this Schedule 13G.

Item 5 Ownership of Five Percent or Less of a Class.

X Not Applicable.

This statement is being filed to report the fact that, as of the date of this report, the reporting person(s) has (have) ceased to be the beneficial owner of more than five percent of the class of securities.

Item 6 Ownership of More than Five Percent on Behalf of Another Person

- (1) Price Associates does not serve as custodian of the assets of any of its clients; accordingly, in each instance only the client or the client's custodian or trustee bank has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities.

The ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of, such securities, is vested in the individual and institutional clients which Price Associates serves as investment adviser. Any and all discretionary authority which has been delegated to Price Associates may be revoked in whole or in part at any time

Except as may be indicated if this is a joint filing with one of the registered investment companies sponsored by Price Associates which it also serves as investment adviser ("T. Rowe Price Funds"), not more than 5% of the class of such securities is owned by any one client subject to the investment advice of Price Associates.

- (2) With respect to securities owned by any one of the T. Rowe Price Funds, only the custodian for each of such Funds, has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. No other person is known to have such right, except that the shareholders of each such Fund participate proportionately in any dividends and distributions so paid.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

Not Applicable.

Item 8 Identification and Classification of Members of the Group.

Not Applicable.

Item 9 Notice of Dissolution of Group.

Not Applicable.

Item 10 Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect. T. Rowe Price Associates, Inc. hereby declares and affirms that the filing of Schedule 13G shall not be construed as an admission that Price Associates is the beneficial owner of the securities referred to, which beneficial ownership is expressly denied.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

T. ROWE PRICE ASSOCIATES, INC.  
Date: February 17, 2015  
Signature: /s/ David Oestreicher  
Name & Title: David Oestreicher, Vice President

12/31/2014

143 FERC ¶ 62,003  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

T. Rowe Price Group, Inc.  
T. Rowe Price Associates, Inc.  
T. Rowe Price International Ltd,  
T. Rowe Price (Canada), Inc.,  
T. Rowe Price Trust Company,  
T. Rowe Price (Luxembourg) Management S.á.r.l.,  
T. Rowe Price Singapore Private Ltd.,  
T. Rowe Price Hong Kong Limited

Docket No. EC10-51-001

ORDER EXTENDING BLANKET AUTHORIZATIONS TO  
ACQUIRE SECURITIES

(Issued April 2, 2013)

On March 4, 2013, T. Rowe Price Group, Inc. (TRPG); T. Rowe Price Associates, Inc. (TRP Associates); T. Rowe Price International Ltd, ; T. Rowe Price (Canada), Inc.; T. Rowe Price Trust Company; T. Rowe Price (Luxembourg) Management S.á.r.l.; T. Rowe Price Singapore Private Ltd., and T. Rowe Price Hong Kong Limited (collectively, Primary Applicants), and each of the mutual funds, common trust funds, and offshore funds sponsored by TRPG's subsidiaries or affiliates (collectively, TRP Entities)<sup>1</sup> (collectively with Primary Applicants, Applicants) filed under sections 203(a)(1) and 203(a)(2) of the Federal Power Act (FPA)<sup>2</sup> a request to extend their existing blanket authorizations to acquire securities previously filed and approved by the Commission for Applicants(Proposed Transactions). Previously, the Commission granted the request for blanket authorization subject to certain conditions.<sup>3</sup> In the instant application, Applicants request a reauthorization and a three year extension of their blanket authorizations. The previous blanket authorizations expire on April 13, 2013.

Applicants state that on December 31, 2010, T. Rowe Price Global Investment

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<sup>1</sup> The TRP Entities are individually identified in Attachment 1 to this order. Attachment 1 lists 137 T. Rowe Price Mutual Funds, 13 Variable Annuity Portfolios, 99 T. Rowe Price Common Trust Funds, and 49 T. Rowe Price Offshore Funds.

<sup>2</sup> 16 U.S.C. § 824b (2006).

<sup>3</sup> *T. Rowe Price Group, Inc.*, 119 FERC ¶62,048 (2007) and *T. Rowe Price Group, Inc.*, 131 FERC ¶ 62,040 (2010). (Prior Orders).

Services Limited (TRP Global), became a wholly-owned subsidiary of T. Rowe Price International, Inc. (TRP International). TRP International was merged into its parent company, T. Rowe Price Associates, Inc. (TRP Associates) and TRP Associates became the parent company of TRP Global. TRP Global was renamed T. Rowe Price International Ltd. Accordingly, TRP Global and TRP International are no longer named Applicants.

Applicants state that, except for the changes described above, none of the material facts relied upon by the Commission in the Prior Orders has changed, and the facts stated in the Applicants' prior filed application are incorporated herein by reference. As a result, the findings made in the Prior Orders regarding competition, rates and regulation apply equally to this application. Furthermore, Applicants commit to continue to meet the terms of the Prior Orders not otherwise discussed in this application.

Applicants reaffirm that the blanket authorizations will not result in cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company. Applicants will be non-controlling, passive investors. Additionally, Applicants contend that, based on the facts and circumstances known to Applicants or that are reasonably foreseeable, the Proposed Transactions will not result in, now or in the future, any: (1) transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company; (2) new issuance of securities by a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; (3) new pledge or encumbrance of assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or (4) new affiliate contract between a non-utility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and services agreements subject to review under sections 205 and 206 of the FPA.

This filing was noticed on March 7, 2013, with comments, protests or interventions due on or before March 25, 2013. None was filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provision of Rule 214.

Information and/or systems connected to the bulk power system involved in these Proposed Transactions may be subject to reliability and cybersecurity standards approved by the Commission pursuant to FPA section 215. Compliance with these standards is

mandatory and enforceable regardless of the physical location of the affiliates or investors, information databases, and operating systems. If affiliates, personnel or investors are not authorized for access to such information and/or systems connected to the bulk power system, a public utility is obligated to take the appropriate measures to deny access to this information and/or the equipment/software connected to the bulk power system. The mechanisms that deny access to information, procedures, software, equipment, etc., must comply with all applicable reliability and cybersecurity standards. The Commission, NERC or the relevant regional entity may audit compliance with reliability and cybersecurity standards.

Order No. 652 requires that sellers with market-based rate authority timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.<sup>4</sup> The foregoing authorization may result in a change in status. Accordingly, Applicants are advised that they must comply with the requirements of Order No. 652. In addition, Applicants shall make appropriate filings under section 205 of the FPA, to implement the Proposed Transactions.

After consideration, it is concluded that the Proposed Transactions are consistent with the public interest and are hereby authorized for a period of three years, subject to the following conditions:

- (1) The Proposed Transactions are authorized upon the terms and conditions and for the purposes set forth in the application;
- (2) No Applicant, individually, will own, control or hold 10 percent or more of the voting securities of any Utility, as defined in the Prior Orders. Collectively, Applicants will not own, control or hold more than 20 percent of the voting securities of any one Utility. If TRPG invests in the voting securities of any individual Utility for its own account, it will not own, control or hold more than one percent of the voting securities of such Utility;
- (3) A Primary Applicant (other than TRPG) will only acquire the securities of publicly-traded Utilities, as set forth in the Prior Orders, and each Applicant will maintain governing policies as set forth in the Prior Orders;
- (4) The authorization, which includes authorization for Additional Applicants (new mutual funds), expires three years from the date of this order, without

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<sup>4</sup> *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, 70 Fed. Reg. 8,253 (Feb. 18, 2005), FERC Stats. & Regs. ¶ 31,175, order on reh'g, 111 FERC ¶ 61,413 (2005).

prejudice to requests to extend the authorization;

- (5) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determination of cost or any other matter whatsoever now pending or which may come before the Commission;
- (6) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted;
- (7) The Commission retains authority under sections 203(b) and 309 of the FPA, to issue supplemental orders as appropriate;
- (8) Applicants shall file with the Commission contemporaneous with filing at the SEC the Schedule 13G filings made with the SEC that are relevant to the authorizations granted in this order. Any changes in the information provided on the initial Schedule 13G must be reflected in an annual amended filing due within 45 days of the end of each calendar year. Applicants shall file with the Commission any comment or deficiency letters received from the SEC that concern Schedule 13G-related compliance audits conducted by the SEC;
- (9) The Commission requires that when Additional Applicants are formed in the future for the purposes authorized in this order, that notice of such formation be filed with the Commission within 45 days from the date of formation; and
- (10) Applicants must inform the Commission within 30 days of any change in circumstances that would reflect a departure from the facts the Commission relied upon in authorizing the Proposed Transaction.

This action is taken pursuant to the authority delegated to the Director, Division of Electric Power Regulation – West under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order pursuant to 18 C.F.R. § 385.713.

Steve P. Rodgers  
Director  
Division of Electric Power Regulation - West

**Attachment 1**  
**Collective List of TRP Entities**

**Funds**

- T. Rowe Price Balanced Fund, Inc.
- T. Rowe Price Blue Chip Growth Fund, Inc.
- T. Rowe Price California Tax-Free Income Trust
  - California Tax-Free Bond Fund
  - California Tax-Free Money Fund
- T. Rowe Price Capital Appreciation Fund
- T. Rowe Price Capital Opportunity Fund, Inc.
- T. Rowe Price Corporate Income Fund, Inc.
- T. Rowe Price Diversified Mid-Cap Growth Fund, Inc.
- T. Rowe Price Diversified Small-Cap Growth Fund, Inc.
- T. Rowe Price Dividend Growth Fund, Inc.
- T. Rowe Price Equity Income Fund
- T. Rowe Price Financial Services Fund, Inc.
- T. Rowe Price Floating Rate Fund, Inc.
- T. Rowe Price Global Real Estate Fund, Inc.
- T. Rowe Price Global Technology Fund, Inc.
- T. Rowe Price GNMA Fund
- T. Rowe Price Growth & Income Fund, Inc.
- T. Rowe Price Growth Stock Fund, Inc.
- T. Rowe Price Health Sciences Fund, Inc.
- T. Rowe Price High Yield Fund, Inc.
- T. Rowe Price Index Trust, Inc.
  - T. Rowe Price Equity Index 500 Fund
  - T. Rowe Price Extended Equity Market Index Fund
  - T. Rowe Price Total Equity Market Index Fund
- T. Rowe Price Inflation Focused Bond Fund, Inc.
- T. Rowe Price Inflation Protected Bond Fund, Inc.
- T. Rowe Price Institutional Equity Funds, Inc.
  - T. Rowe Price Institutional Large-Cap Core Growth Fund
  - T. Rowe Price Institutional Large-Cap Growth Fund
  - T. Rowe Price Institutional Large-Cap Value Fund
  - T. Rowe Price Institutional Mid-Cap Equity Growth Fund
  - T. Rowe Price Institutional Small-Cap Stock Fund
  - T. Rowe Price Institutional U.S. Structured Research Fund

- T. Rowe Price Institutional Income Funds, Inc.
  - T. Rowe Price Institutional Core Plus Fund
  - T. Rowe Price Institutional Floating Rate Fund
  - T. Rowe Price Institutional High Yield Fund
- T. Rowe Price Institutional International Funds, Inc.
  - T. Rowe Price Institutional Africa & Middle East Fund
  - T. Rowe Price Institutional Emerging Markets Bond Fund
  - T. Rowe Price Institutional Emerging Markets Equity Fund
  - T. Rowe Price Institutional Global Equity Fund
  - T. Rowe Price Institutional Global Large-Cap Equity Fund
  - T. Rowe Price Institutional Global Value Equity Fund
  - T. Rowe Price Institutional International Bond Fund
  - T. Rowe Price Concentrated International Equity Fund
  - T. Rowe Price Institutional International Core Equity Fund
  - T. Rowe Price Institutional International Growth Equity Fund
- T. Rowe Price International Funds, Inc.
  - T. Rowe Price Africa & Middle East Fund
  - T. Rowe Price Emerging Europe Fund
  - T. Rowe Price Emerging Markets Bond Fund
  - T. Rowe Price Emerging Markets Corporate Bond Fund
  - T. Rowe Price Emerging Markets Local Currency Bond Fund
  - T. Rowe Price Emerging Markets Stock Fund
  - T. Rowe Price European Stock Fund
  - T. Rowe Price Global Infrastructure Fund
  - T. Rowe Price Global Large-Cap Stock Fund
  - T. Rowe Price Global Stock Fund
  - T. Rowe Price International Bond Fund
  - T. Rowe Price International Discovery Fund
  - T. Rowe Price International Growth & Income Fund
  - T. Rowe Price International Stock Fund
  - T. Rowe Price Japan Fund
  - T. Rowe Price Latin America Fund
  - T. Rowe Price New Asia Fund
  - T. Rowe Price Overseas Stock Fund
- T. Rowe Price International Index Fund, Inc.
  - T. Rowe Price International Equity Index Fund
- T. Rowe Price Media & Telecommunications Fund, Inc.
- T. Rowe Price Mid-Cap Growth Fund, Inc.
- T. Rowe Price Mid-Cap Value Fund, Inc.
- T. Rowe Price Multi-Sector Account Portfolios, Inc.
  - T. Rowe Price Emerging Markets Bond Multi-Sector Account Portfolio
  - T. Rowe Price Emerging Markets Local Multi-Sector Account Portfolio
  - T. Rowe Price Floating Rate Multi-Sector Account Portfolio

- T. Rowe Price High Yield Multi-Sector Account Portfolio
- T. Rowe Price Investment-Grade Corporate Multi-Sector Account Portfolio
- T. Rowe Price Mortgage-Backed Securities Multi-Sector Account Portfolio
- T. Rowe Price New America Growth Fund
- T. Rowe Price New Era Fund, Inc.
- T. Rowe Price New Horizons Fund, Inc.
- T. Rowe Price New Income Fund, Inc.
- T. Rowe Price Personal Strategy Funds, Inc.
  - T. Rowe Price Personal Strategy Balanced Fund
  - T. Rowe Price Personal Strategy Growth Fund
  - T. Rowe Price Personal Strategy Income Fund
- T. Rowe Price Prime Reserve Fund, Inc.
- T. Rowe Price Real Assets Fund, Inc.
- T. Rowe Price Real Estate Fund, Inc.
- T. Rowe Price Reserve Investment Funds, Inc.
  - T. Rowe Price Government Reserve Investment Fund
  - T. Rowe Price Reserve Investment Fund
- T. Rowe Price Retirement Funds, Inc.
  - T. Rowe Price Retirement 2005 Fund
  - T. Rowe Price Retirement 2010 Fund
  - T. Rowe Price Retirement 2015 Fund
  - T. Rowe Price Retirement 2020 Fund
  - T. Rowe Price Retirement 2025 Fund
  - T. Rowe Price Retirement 2030 Fund
  - T. Rowe Price Retirement 2035 Fund
  - T. Rowe Price Retirement 2040 Fund
  - T. Rowe Price Retirement 2045 Fund
  - T. Rowe Price Retirement 2050 Fund
  - T. Rowe Price Retirement 2055 Fund
  - T. Rowe Price Retirement Income Fund
- T. Rowe Price Science & Technology Fund, Inc.
- T. Rowe Price Short-Term Bond Fund, Inc.
  - T. Rowe Price Ultra Short-Term Bond Fund
- T. Rowe Price Small-Cap Stock Fund, Inc.
- T. Rowe Price Small-Cap Value Fund, Inc.
- T. Rowe Price Spectrum Fund, Inc.
  - Spectrum Growth Fund
  - Spectrum Income Fund
  - Spectrum International Fund
- T. Rowe Price State Tax-Free Income Trust
  - Georgia Tax-Free Bond Fund
  - Maryland Short-Term Tax-Free Bond Fund
  - Maryland Tax-Free Bond Fund

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Maryland Tax-Free Money Fund  
New Jersey Tax-Free Bond Fund  
New York Tax-Free Bond Fund  
New York Tax-Free Money Fund  
Virginia Tax-Free Bond Fund  
T. Rowe Price Strategic Income Fund, Inc.  
T. Rowe Price Summit Funds, Inc.  
    T. Rowe Price Summit Cash Reserves Fund  
    T. Rowe Price Summit GNMA Fund  
T. Rowe Price Summit Municipal Funds, Inc.  
    T. Rowe Price Summit Municipal Income Fund  
    T. Rowe Price Summit Municipal Intermediate Fund  
    T. Rowe Price Summit Municipal Money Market Fund  
T. Rowe Price Tax-Efficient Funds, Inc.  
    T. Rowe Price Tax-Efficient Equity Fund  
T. Rowe Price Tax-Exempt Money Fund, Inc.  
T. Rowe Price Tax-Free High Yield Fund, Inc.  
T. Rowe Price Tax-Free Income Fund, Inc.  
T. Rowe Price Tax-Free Short-Intermediate Fund, Inc.  
    T. Rowe Price Tax Free Ultra Short-Term Bond Fund  
T. Rowe Price U.S. Large-Cap Core Fund, Inc.  
T. Rowe Price U.S. Treasury Funds, Inc.  
    U.S. Treasury Intermediate Fund  
    U.S. Treasury Long-Term Fund  
    U.S. Treasury Money Fund  
T. Rowe Price Value Fund, Inc.

**Variable Annuity Portfolios**

T. Rowe Price Equity Series, Inc.  
    T. Rowe Price Blue Chip Growth Portfolio  
    T. Rowe Price Equity Income Portfolio  
    T. Rowe Price Equity Index 500 Portfolio  
    T. Rowe Price Health Sciences Portfolio  
    T. Rowe Price Mid-Cap Growth Portfolio  
    T. Rowe Price New America Growth Portfolio  
    T. Rowe Price Personal Strategy Balanced Portfolio  
T. Rowe Price Fixed Income Series, Inc.  
    T. Rowe Price Limited-Term Bond Portfolio  
    T. Rowe Price Prime Reserve Portfolio  
T. Rowe Price International Series, Inc.  
    T. Rowe Price International Stock Portfolio

**T. Rowe Price Common Trust Funds**

T. Rowe Price Institutional Common Trust Fund

T. Rowe Price U.S. Treasury Money Market Trust

T. Rowe Price Equity Index Trust

T. Rowe Price Bond Enhanced Index Trust

T. Rowe Price Short-Term Bond Index Trust

T. Rowe Price Capital Appreciation Trust

T. Rowe Price Growth & Income Trust

T. Rowe Price Growth Stock Trust

T. Rowe Price Equity Income Trust

T. Rowe Price New Horizons Trust

Retirement Strategy Trust-Balanced

T. Rowe Price Total Market Index Trust

International Common Trust Fund

Emerging Markets Equity Trust

Foreign Discovery Trust

T. Rowe Price Structured Research Common Trust Fund

T. Rowe Price Stable Value Common Trust Fund

T. Rowe Price Managed Bond Common Trust Fund

U.S. Small-Cap Stock Trust

Alaska Common Trust Fund

Alaska Aggregate Bond Trust

Alaska U.S. Equity Market Trust

Alaska GNMA Trust

Alaska Corporate/Government Trust

Alaska Large-Cap Trust

Alaska Small-Cap Trust

Alaska International Trust

Alaska Money Market Trust

Alaska Money Market Master Trust

Alaska Balanced Trust

Alaska Long- Term Balanced Trust

Alaska Target Retirement 2010 Trust

Alaska Target Retirement 2015 Trust

Alaska Target Retirement 2020 Trust

Alaska Target Retirement 2025 Trust

Alaska Target Retirement 2030 Trust

Alaska Target Retirement 2035 Trust

Alaska Target Retirement 2040 Trust

Alaska Target Retirement 2045 Trust

Alaska Target Retirement 2050 Trust

Alaska Target Retirement 2055 Trust

- T. Rowe Price Retirement Date Trust
  - T. Rowe Price Retirement 2055 Trust
  - T. Rowe Price Retirement 2050 Trust
  - T. Rowe Price Retirement 2045 Trust
  - T. Rowe Price Retirement 2040 Trust
  - T. Rowe Price Retirement 2035 Trust
  - T. Rowe Price Retirement 2030 Trust
  - T. Rowe Price Retirement 2025 Trust
  - T. Rowe Price Retirement 2020 Trust
  - T. Rowe Price Retirement 2015 Trust
  - T. Rowe Price Retirement 2010 Trust
  - T. Rowe Price Retirement 2005 Trust
  - T. Rowe Price Retirement Income Trust
  - T. Rowe Price U.S. Equities Trust
  - T. Rowe Price Non-U.S. Equities Trust
  - T. Rowe Price Fixed Income Trust
  - T. Rowe Price Inflation Focused Bond Trust
  - T. Rowe Price Real Assets Trust
- T. Rowe Price Strategic Common Trust Fund
  - T. Rowe Price Structured Research Broad Market Trust
  - T. Rowe Price Intermediate Term Common Trust Fund
  - T. Rowe Price Short Term Common Trust Fund
  - T. Rowe Price Short-Intermediate Term Common Trust Fund
  - T. Rowe Price Blue Chip Growth Trust
  - T. Rowe Price Bond Trust I
  - T. Rowe Price Emerging Markets Bond Trust
  - T. Rowe Price Extended U.S. Equity Market Index Trust
  - T. Rowe Price International Bond Trust
  - T. Rowe Price International Core Equity Trust
  - T. Rowe Price International Growth Equity Trust
  - T. Rowe Price International Small-Cap Equity Trust
  - T. Rowe Price International Value Equity Trust
  - T. Rowe Price Real Assets Trust I
  - T. Rowe Price U.S. High Yield Trust
  - T. Rowe Price U.S. Inflation Focused Bond Trust
  - T. Rowe Price U.S. Mid-Cap Growth Equity Trust
  - T. Rowe Price U.S. Mid-Cap Value Equity Trust
  - T. Rowe Price U.S. Small-Cap Core Equity Trust
  - T. Rowe Price U.S. Small-Cap Value Equity Trust
  - T. Rowe Price U.S. Value Equity Trust
  - T. Rowe Price Retirement 2005 Active Trust
  - T. Rowe Price Retirement 2010 Active Trust
  - T. Rowe Price Retirement 2015 Active Trust

- T. Rowe Price Retirement 2020 Active Trust
- T. Rowe Price Retirement 2025 Active Trust
- T. Rowe Price Retirement 2030 Active Trust
- T. Rowe Price Retirement 2035 Active Trust
- T. Rowe Price Retirement 2040 Active Trust
- T. Rowe Price Retirement 2045 Active Trust
- T. Rowe Price Retirement 2050 Active Trust
- T. Rowe Price Retirement 2055 Active Trust
- T. Rowe Price Retirement Income Active Trust
- T. Rowe Price Fixed Income Sector Trust
  - T. Rowe Price High Yield Sector Trust
  - T. Rowe Price Floating Rate Sector Trust
  - T. Rowe Price Investment Grade Corporate Sector Trust
  - T. Rowe Price Emerging Markets Local Currency Sector Trust
  - T. Rowe Price Emerging Markets Corporate/Sovereign Sector Trust

**T. Rowe Price Offshore Funds**

- T. Rowe Price Funds SICAV
  - Asian ex-Japan Equity Fund
  - EURO Corporate Bond Fund
  - European Equity Fund
  - European High Yield Bond Fund
  - Emerging Europe Equity Fund
  - Emerging Local Markets Bond Fund
  - European Smaller Companies Equity Fund
  - European Structured Research Equity Fund
  - European ex-UK Equity Fund
  - Global Aggregate Bond Fund
  - Global Equity Fund
  - Global Emerging Markets Bond Fund
  - Global Emerging Markets Corporate Bond Fund
  - Global Emerging Markets Equity Fund
  - Global Fixed Income Absolute Return Fund
  - Global High Yield Bond Fund
  - Global Large Cap Equity Fund
  - Global Natural Resources Equity Fund
  - Global Real Estate Securities Fund
  - Global Value Equity Fund
  - Japanese Equity Fund
  - Latin American Equity Fund
  - Middle East & Africa Equity Fund
  - US Aggregate Bond Fund

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- US Blue Chip Equity Fund
- US Large Cap Equity Fund
- US Large Cap Growth Equity Fund
- US Large Cap Value Equity Fund
- US Smaller Companies Equity Fund
- T. Rowe Price Kikantoushika-Muke Funds FCP
  - Asian Ex Japan Equity Fund
  - Global Equity
  - Global Ex-Japan Equity
  - Japanese Equity
  - US Investment Grade Corporate Bond
  - US Large-Cap Growth Equity Fund
  - US Structured Research
  - T. Rowe Price Life Plan Income Fund
- T. Rowe Price Institutional Funds FCP
  - U.S. Structured Research Equity
  - Amplified Structured Research Strategy
- Australian Unit Trusts
  - T. Rowe Price Asia ex-Japan Fund
  - T. Rowe Price Australian Equity Fund
  - T. Rowe Price Global Equity Fund
  - T. Rowe Price Emerging Markets Equity Fund
- T. Rowe Price Investment Trust (Cayman Islands Unit Trust)
  - Emerging Markets Bond Fund

Document Content(s)

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