

June 27, 2011

Hon. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Blvd.
Frankfort, KY
40602-0615

RECEIVED

JUN 27 2011

PUBLIC SERVICE
COMMISSION

RE: Case No. 2000-129

Dear Sir,

As part of the Order issued by the Commission in the above referenced case, Columbia Gas of Kentucky was required to notify the Commission after paying any dividend or transferring more than five percent of the retained earnings of Columbia Gas of Kentucky to Columbia Energy or NiSource. Pursuant to the Commission's Order, Columbia Gas of Kentucky offers the following report.

On June 14, 2011, Columbia Gas of Kentucky issued a dividend to Columbia Energy Group in the amount of \$2,000,000. Columbia Energy Group then paid a dividend to NiSource Inc. for the same amount. A resolution declaring the dividend from the Board of Directors is attached.

Please let me know if you need additional information regarding this matter.

Very truly yours,



Judy M. Cooper
Director, Regulatory Policy

**UNANIMOUS WRITTEN CONSENT
IN LIEU OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
COLUMBIA GAS OF KENTUCKY, INC.**

The undersigned, being all of the directors of Columbia Gas of Kentucky, Inc., a Kentucky corporation (the "Corporation"), do hereby waive notice and the holding of a special meeting and consent and agree to the adoption of the following recital and resolutions pursuant to the authority of Section 271B.8-210 of the Kentucky Business Corporation Act:

Dividend Declaration

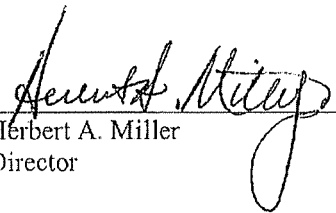
WHEREAS, all the directors of the Corporation believe it to be in the best interests of the Corporation to declare a dividend.

NOW, THEREFORE, BE IT RESOLVED, that a dividend of \$2,000,000 is hereby declared, payable June 28, 2011 to shareholders of record as of June 21, 2011.

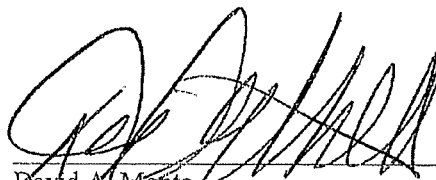
FURTHER RESOLVED, that the officers of the Corporation are hereby authorized and empowered to execute and deliver any and all documents, instruments, and agreements, and to perform all further acts, as such officers shall deem necessary or appropriate to effect the purpose and intent of the foregoing recital and resolution.

FURTHER RESOLVED, that this consent may be signed by one or more counterpart signatures, each of which signature shall be deemed an original, all of which together shall constitute one in the same instrument. Furthermore, delivery of a copy of such signature by facsimile transmission or other electronic methodology shall constitute a valid and binding execution and delivery of this consent by such party, and such electronic copy shall constitute an enforceable original document.

Dated this 14th day of June, 2011.



Herbert A. Miller
Director



David A. Monte
Director

Jimmy D. Staton
Director

Being all of the directors of the Corporation

**UNANIMOUS WRITTEN CONSENT
IN LIEU OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
COLUMBIA GAS OF KENTUCKY, INC.**

The undersigned, being all of the directors of Columbia Gas of Kentucky, Inc., a Kentucky corporation (the "Corporation"), do hereby waive notice and the holding of a special meeting and consent and agree to the adoption of the following recital and resolutions pursuant to the authority of Section 271B.8-210 of the Kentucky Business Corporation Act:

Dividend Declaration

WHEREAS, all the directors of the Corporation believe it to be in the best interests of the Corporation to declare a dividend.

NOW, THEREFORE, BE IT RESOLVED, that a dividend of \$2,000,000 is hereby declared, payable June 28, 2011 to shareholders of record as of June 21, 2011.

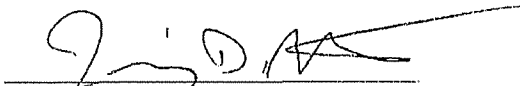
FURTHER RESOLVED, that the officers of the Corporation are hereby authorized and empowered to execute and deliver any and all documents, instruments, and agreements, and to perform all further acts, as such officers shall deem necessary or appropriate to effect the purpose and intent of the foregoing recital and resolution.

FURTHER RESOLVED, that this consent may be signed by one or more counterpart signatures, each of which signature shall be deemed an original, all of which together shall constitute one in the same instrument. Furthermore, delivery of a copy of such signature by facsimile transmission or other electronic methodology shall constitute a valid and binding execution and delivery of this consent by such party, and such electronic copy shall constitute an enforceable original document.

Dated this 14th day of June, 2011.

Herbert A. Miller
Director

David A. Monte
Director



Jimmy D. Staton
Director

Being all of the directors of the Corporation