

January 15, 2014

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

RECEIVED

JAN 16 2014

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 December 27, 2013, Columbia Gas of Kentucky issued a dividend to Columbia Energy Group in the amount of \$1,000,000. 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
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 "Company"), do hereby consent and agree to the adoption of the following recital and resolutions pursuant to Section 271B.8-210 of the Kentucky Business Corporation Act:

DIVIDEND DECLARATION

WHEREAS, the board of directors of the Company believes it to be in the best interest of the Company to declare a dividend.

NOW, THEREFORE, BE IT RESOLVED, that a dividend of \$1,000,000 is declared out of the earnings of the Company, payable December 27, 2013 to stockholders of record of the Company's common shares as of December 13, 2013

FURTHER RESOLVED, that any proper officer of the Company is hereby authorized to execute and deliver any and all documents, instruments, agreements and certificates, and to perform all such further acts, as such officer shall determine to be necessary or appropriate to effect the purpose and intent of the foregoing recital and resolution, such determination to be conclusively evidenced by the execution and delivery of such documents, instruments, agreement and certificates or the taking of such acts

INTERCOMPANY BORROWINGS

WHEREAS, the board of directors of the Company believe it to be in the best interest of the Company to issue one or more promissory notes to finance any maturing debt obligations or for general corporate purposes, including additional term financing.

NOW, THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to borrow, at any time during the month of December 2013, in the form of one or more promissory notes (each, a "Debt Security") issued to NiSource Finance Corp. ("NiSource Finance"), an aggregate principal amount of not more than \$20,000,000 at an interest rate or rates reflective of current market conditions for externally issued debt by NiSource Finance and used concurrently with the Company, with the proceeds of such borrowings to be used to refinance any maturing debt obligations or for general corporate purposes, including additional term financing.

FURTHER RESOLVED, that each of the President, any Vice President and the Treasurer is hereby authorized to execute and deliver for and on behalf of the Company any Debt Security authorized hereunder and attested to by its Corporate Secretary or Assistant Corporate Secretary, in such form and content, and bear such date or dates as may be approved by officer executing the same, such approval to be conclusively evidenced by the execution of said Debt Security.

FURTHER RESOLVED, that any proper officer of the Company is authorized and deliver any and all documents, instruments, agreements and certificates, and to perform all such further acts, as may be required by NiSource Finance, or as such officer shall determine to be

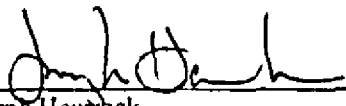
necessary or appropriate, in connection with the issuance and sale of the Debt Security or otherwise to effect the purpose and intent of the foregoing recital and resolutions under the heading "Intercompany Borrowings", such determination to be conclusively evidenced by the execution and delivery of such documents, instruments, agreements and certificates or the taking of such acts.

FURTHER RESOLVED, that NiSource Finance is hereby authorized to rely and act upon, and shall be fully protected in so relying and acting upon, any instructions received by it and signed by any officer of the Company, and to rely and act upon, and shall be fully protected in so relying and acting upon, any Debt Security, assignment, power of attorney, certificate, order, instruction, notice or other instrument or paper believed by it to be genuine and duly authorized and properly executed.

FURTHER RESOLVED, that any and all actions heretofore taken or caused to be taken by any proper officer of the Company in connection with the declaration of dividend and intercompany borrowings contemplated by the foregoing recitals and resolutions are hereby ratified, confirmed, approved and adopted in all respects.

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 and 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 the signatory thereof, and such electronic copy shall constitute an enforceable original instrument.

FURTHER RESOLVED, that this consent shall be effective as of December 6, 2013.



Joseph Hantrock

Herbert A. Miller, Jr.

Steven W. Sylvester

necessary or appropriate, in connection with the issuance and sale of the Debt Security or otherwise to effect the purpose and intent of the foregoing recital and resolutions under the heading "Intercompany Borrowings", such determination to be conclusively evidenced by the execution and delivery of such documents, instruments, agreements and certificates or the taking of such acts.

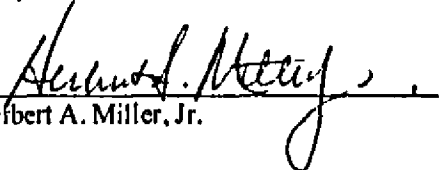
FURTHER RESOLVED, that NiSource Finance is hereby authorized to rely and act upon, and shall be fully protected in so relying and acting upon, any instructions received by it and signed by any officer of the Company, and to rely and act upon, and shall be fully protected in so relying and acting upon, any Debt Security, assignment, power of attorney, certificate, order, instruction, notice or other instrument or paper believed by it to be genuine and duly authorized and properly executed.

FURTHER RESOLVED, that any and all actions heretofore taken or caused to be taken by any proper officer of the Company in connection with the declaration of dividend and intercompany borrowings contemplated by the foregoing recitals and resolutions are hereby ratified, confirmed, approved and adopted in all respects.

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 and 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 the signatory thereof, and such electronic copy shall constitute an enforceable original instrument.

FURTHER RESOLVED, that this consent shall be effective as of December 6, 2013.

Joseph Hamrock



Herbert A. Miller, Jr.

Steven W. Sylvester

necessary or appropriate, in connection with the issuance and sale of the Debt Security or otherwise to effect the purpose and intent of the foregoing recital and resolutions under the heading "Intercompany Borrowings", such determination to be conclusively evidenced by the execution and delivery of such documents, instruments, agreements and certificates or the taking of such acts.

FURTHER RESOLVED, that NiSource Finance is hereby authorized to rely and act upon, and shall be fully protected in so relying and acting upon, any instructions received by it and signed by any officer of the Company, and to rely and act upon, and shall be fully protected in so relying and acting upon, any Debt Security, assignment, power of attorney, certificate, order, instruction, notice or other instrument or paper believed by it to be genuine and duly authorized and properly executed.

FURTHER RESOLVED, that any and all actions heretofore taken or caused to be taken by any proper officer of the Company in connection with the declaration of dividend and intercompany borrowings contemplated by the foregoing recitals and resolutions are hereby ratified, confirmed, approved and adopted in all respects.

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 and 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 the signatory thereof, and such electronic copy shall constitute an enforceable original instrument.

FURTHER RESOLVED, that this consent shall be effective as of December 6, 2013.

Joseph Hamrock

Herbert A. Miller, Jr.



Steven W. Sylvester